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HOUSING

A STUDY PREPARED FOR THE
ROYAL COMMISSION ON DOMINION-PROVINCIAL RELATIONS
BY
A. E. GRAUER

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HOUSING

EDITORIAL FOREWORD

In this study Dr. A. E. Grauer, Director of the Department of Social Sciences at the University of Toronto, considers the provision of low-rent housing. It deserves attention both as a social service in which Canadian governments may come to be concerned on a large scale, and as one which has a bearing on current community costs for sickness, unemployment, and crime. The method of presentation and any expressions of opinion are solely the responsibility of the author, and not of the Commission.

Dr. Grauer gives a general account of state-subsidized housing in England, Germany, Sweden, Holland, and the United States, and a history of Canadian experiments in the field. The need for state aid arises from the fact that it has not yet been found possible to provide even barely adequate housing facilities for the very low income groups on a commercial or a fully self-supporting basis. State aid may take several forms, such as loans, low interest rates, lump sum subsidies, annual subsidies, and tax remission. It may be argued that in return the state will be compensated for its contribution both directly, through reduced public assistance costs, and indirectly through increased productive power. The question of allocation of functions is considered and doubt is thrown on the ability of municipal governments alone to deal with the problem. The need for planning and for the co-operation of all governments is emphasized. Dr. Grauer concludes with appendices giving statistical details of conditions in some Canadian slums.

The first draft of this study was completed in August, 1938, and after having been circulated to the Dominion and provincial governments for comment, was revised where necessary and put in its present form in the spring of 1939.

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HOUSING

The subject of housing is of importance to Dominion-provincial relations because first, Canadian governments are already spending substantial sums of money both directly on housing programmes and indirectly on the social results of bad housing; and second, the experience of other countries and an analysis of the Canadian situation indicate that future governmental expenditures on housing may be expected on a larger scale.

Chapter I - Housing in England

Introduction

The immense increase in population and the crowding into urban centres which followed the Industrial Revolution, forced the problem of housing upon public attention at an earlier date in England than in other countries. The early legislation of the middle decades of the last century did not of course recognize all the implications of the problem nor see the need for planning for the population as a whole, as authorities on the subject do today. Indeed, two of the earliest housing acts sponsored by Lord Shaftesbury were directed against the scandals of the common lodging house and not against bad housing as such; and the public interest of many of the early philanthropists seems to have been inspired, in part at least, by a fear of the spread of cholera and other communicable diseases from infected pauper areas to more salubrious sections of the city.

Following the Shaftesbury Acts came the Torrens Acts of 1866-1868 which gave local authorities power to condemn or repair, at the owner's expense, any house not kept in decent and sanitary condition. The Cross Acts of 1875-1882 gave the larger towns power not only over individual houses, but over whole areas where conditions could not be corrected

except by demolition and reconstruction either on the same site or in outlying districts.

These acts were apparently not completely effective. A Royal Commission on housing appointed in 1884 recommended "a wide extension of the powers and duties of local authorities in relation to the housing of the working classes."⁽¹⁾ The Housing of the Working Classes Act of 1890 was the fulfilment of this recommendation. This Act was a consolidation of previous legislation and is, in effect, the basis of all subsequent housing legislation. Part I of the Act dealt with the clearance of insanitary areas and with rehousing; Part II with individual insanitary or obstructive houses; and Part III authorized local authorities to acquire land on which to build and manage houses for the working classes.

The only great innovation in later British legislation was in the 1909 Act which required every County Council to appoint a Public Health and Housing Committee. Of various town planning measures the first came in 1909; public subsidies in addition to loans were introduced after the Great War; and a statutory obligation was imposed with regard to housing and slum clearance. "In short", says Catherine Bauer, "the 'housing problem' had progressed from the mere matter of shelter for paupers to the whole question of how to build decent, workable cities for everybody."⁽²⁾

Post-War Housing.

An almost complete cessation of dwelling construction during the War meant that post-war England faced a shortage of a million dwellings plus an additional need of one hundred thousand per year. Prices were exceedingly high and private enterprise found it quite impossible to provide houses at rents the people could pay.

(1) Quoted by S.P.Hayward and C.K.Wright, Law of Housing, p.2.

(2) Bauer, Modern Housing, 1934, p.261.

The first step to meet such conditions had already been taken by legislation in 1914, which laid the responsibility of providing adequate housing for the working classes on the local authorities. The second step, - to provide low rental houses by subsidies from the central, and sometimes the local government, - was taken after the War. Acts of succeeding years varied chiefly as to the nature, amount, source and destination of the subsidy.

A system of direct loans to local authorities from the central government for slum clearance and the construction of workers' dwellings had been used in England since 1890, and after 1899 local authorities were empowered to lend directly to individuals wishing to become home owners. The advantage of this form of assistance is that it can be given at relatively low cost and it made possible a control over management policies. After the War provision was made for the guarantee of advances to local authorities, housing societies, or individuals, though no widespread use has been made of this plan in Great Britain. However, its use is growing in continental Europe - probably because the guarantee calls for no original outlay of funds, and thus can be a stimulation to building when financial stringency would make subsidies impossible. The guarantee can also be used as a means of controlling management policies.

Subsidy, in various forms, however, was the most common type of post-war financial assistance to housing. The Addison Act of 1919 made provision for loans, but also offered lump sum grants of varying amount. To local governments which would contribute a fixed subsidy on their own housing schemes the state offered to cover any additional annual loss, the Ministry of Health reserving the right to audit plans, costs and rents. For public utility societies, that is, organizations providing housing with limited

profits, the state undertook to cover 30% (later 50%, then 40%) of the interest and redemption charges on approved schemes. Rents to be charged for these dwellings were subject to approval by the Ministry of Health. To private builders the government promised to grant a non-repayable lump sum, which at first was £130 to £160 and later increased. Certain standards were set by the government. Building costs under this arrangement rose to inordinate heights and in 1921 the system of subsidies was repealed. Under the Addison Act 170,000 dwellings were built by the local governments and 44,000 by private enterprise, including a minor number built by housing societies.

The Chamberlain Act of 1923 supplied a different type of assistance to local authorities, using the fixed annuity system exclusively. An annual payment of £6 for 20 years for each new house was offered by the government to the local authority, the money to be distributed to private builders, to public utility societies or to renters or purchasers of new houses. The law provided that assistance to private builders could be by either the annuity system or a lump sum grant. The local authority was also given power to add to the assistance out of local taxation. A limit was set to the size of house eligible for assistance under the Act. This method of subsidy, with more liberal conditions, was used in the Act of 1924 too.

The 1923 Act also experimented with tax-exemption. This method of assistance more widely used on the continent than in England, requires no cash outlay by the government, but its benefits to property owners are said to be seldom passed on to tenants.

Under the provisions of the 1923 Act, 750,000 houses were built by local authorities, 351,000 by private enterprise and 12,000 by Public Utility Societies.

Under the 1930 Act grants were based on the number of persons rehoused, at £2.5s per person for 40 years, and local authorities were required to give a specified amount for each dwelling. After 1935, payment was made for each dwelling, the amount varying with the value of the site used, provided the local authority contributed a sum equal to one-half the gross sum of the National Government's subsidy. The local authority is allowed to spread its total payments over a 60-year period.

The fixed annuity system seems to have been accepted as the most satisfactory form of government assistance in England. It has also been used in Denmark, France and Czechoslovakia. The annuity arrangement relieves the central government of the large immediate expenditure necessary in lump sum arrangements. It is particularly adaptable to dwellings built for rental (and hence for dwellings for low income groups) since the yearly payments make possible continuing control over rents and the disposition of property. The fixing of the liability is an advantage to the government. It also encourages local authorities to build economically in order to get as large a margin as possible, for the amount of the subsidy does not vary, as in earlier schemes, with the cost of construction or with the loss sustained by the building agency. The scheme has some disadvantages. It necessitates constant supervision by the local authority for an extended period. It ties up the capital of the builders to a greater extent than the lump sum arrangement, and the possibility that the subsidy will be reduced creates a risk for them.

Regional and Town Planning

An important measure, the Town and Country Planning Act, was passed in 1932. Its main provisions are thus summed

up by Catherine Bauer - "The planning authority of Regional or Joint Town Planning Committees is furthered; ('amenity', 'natural interest', 'beauty', and 'historic' or 'architectural value' are recognized as proper or statutory considerations in planning or prohibiting streets or buildings; it is theoretically possible to prohibit most forms of chaotic 'ribbon development' and of 'spotted building fever'; it is possible to zone and replan built-up areas; it greatly facilitates the procedure of a local authority desiring to set up a satellite town outside its limits with state funds; it makes easier the acquisition of funds by local authorities; and it forces local authorities to prepare and submit town-planning schemes."⁽³⁾

The Report of the Ministry of Labour for 1936-37 states that $22\frac{1}{2}$ million acres of land, or three-fifths of England and Wales, are now under planning control. However, it has been suggested in some quarters that embryonic local planning schemes rarely mature and that less than a hundredth part of the area mentioned is actually subject to plans finally approved. To overcome this situation the Town Planning Institution suggests that an advisory planning commission should be formed responsible to a cabinet minister, should be set up to supervise and co-ordinate all local planning schemes.

Overcrowding.

Before the Housing Act of 1935 was passed no direct attack had been made on the evils of overcrowding. The Act of 1935 dealt with overcrowding and with the re-development and re-conditioning of dwellings. A minimum standard of accommodation was set up, the definition of overcrowding being based on the sex and age of the inhabitants and upon the

(3) Ibid. p.263.

number and floor area of the rooms. Local authorities were made responsible for enforcing the standards and for providing suitable alternative accommodation. The contributions by the central government "shall be given only where, and only to the extent that, they are shown to be necessary." For example, where blocks of flats are to be built on expensive sites, the subsidy runs for 40 years, the sum per dwelling varying with the cost of the building site. This subsidy is granted provided that the local authorities contribute a sum equal to one-half of the assistance granted by the central government. Such contributions may be spread over 60 years. Aid is also given for agricultural housing. The government contributes from £2 to £8 per dwelling for a 40 year period while £1 annually for the same period is paid by the local authority.

The Management of Housing.

The Act of 1936, recognizing that the care of houses is a separate and different matter from building them, empowered local authorities to set up a housing management commission, to which any functions relating to management, control and repair may be assigned, upon approval by the Ministry of Health. The commission would be responsible for all letting, repairs, and maintenance of property. By the end of 1935, 28 local authorities had employed trained housing estate managers.

Summary.

The Act of 1933 abolished building subsidies, except for slum clearance schemes. In 1935 it was made possible to grant subsidies for projects to relieve overcrowding. Under the 1936 Act - which consolidated the housing legislation, re-enacting provisions regarding overcrowding which were

initiated by the 1935 Act - slum clearance and the relief of overcrowding remain the only two purposes for which subsidies will be granted.

Under existing legislation, then, the housing of the very poor is being looked after, and has already been considerably improved. Before the War it was left to private enterprise to supply the needs of the much more numerous class which forms the bulk of the working class population. Their housing was admittedly inadequate and in the years following the War legislation recognized this fact and granted subsidies for general housing with very good effects. After 1933, when building costs had fallen, the responsibility was once more turned over to private enterprise, but, unfortunately, private enterprise has catered to the higher income group. This is true in spite of the activities of the building societies which have grown greatly since the War. These societies are not true "building" societies, but rather profit-making co-operative credit societies, which finance the erection and purchase of houses for their members. They seem to have prevented the development of true co-operative building societies which have accomplished so much on the continent. They are mainly concerned with providing houses for owner occupiers rather than houses for rent, yet the houses of the majority of low income workers must necessarily be rented houses. The contention that unassisted private enterprise cannot provide a sufficient number of working class houses is supported by the continuance of the Rent Restriction Acts. By these Acts, the rent of houses is legally fixed below the level which would emerge in the open market - a recognition of the fact that "private enterprise cannot on commercial lines provide
(4)
houses within the means of the majority of workers."

(4) Kaethe Liepman, English Housing Policy Since the War, The American Economic Review, September, 1937.

T A B L E 1.- NUMBER OF HOUSES BUILT IN ENGLAND
AND WALES, 1919 - 1936 (a)

Year	With Governmental Assistance.	Without Governmental Assistance. (b)
1919)
1920	715) 30,000 (c)
1921	28,090)
1922	101,152)
1923	68,224	52,749
1924	18,671	73,032
1925	67,669	66,735
1926	106,987	65,689
1927	153,779	60,313
1928	178,626	64,624
1929	105,584	71,083
1930	111,455	110,375
1931	56,518	132,909
1932	71,323	132,886
1933	58,071	167,880
1934	57,749	261,168
1935	37,064	283,453
1936	<u>41,154</u>	<u>275,473</u>
TOTAL:	<u>1,262,831</u>	<u>1,848,369</u>

(a) Based on Reports of the Ministry of Health.

(b) Houses having a rateable value exceeding £78 (or £ 105 in the metropolitan area) are excluded; including small numbers of houses provided by local authorities without state assistance.

(c) Estimated figure .

Chapter 2 - Housing in Europe

Introduction

Every western European country has its housing legislation, usually dating back to the last century; and every one of these countries is at a more advanced stage than any part of this continent. Comparing European and American housing experience Catherine Bauer says, "There is probably not a single spot in Western Europe in which it would have been legally possible at any time since 1919 to erect a New York New Law Tenement, or a Boston or Chicago three-decker, or one of the mill-town flats or deep houses with two to twelve foot side alleys, for any income group whatsoever."⁽⁵⁾ In this review certain countries are singled out for particular examination, either because their experience is typical or because it is unique.

Germany

The German housing development has differed conspicuously from the English. One point is the leading part played by German states and cities. Before the War there was no national housing legislation yet much that was lasting in German housing had already been accomplished.

There are several reasons for the relatively greater importance of the municipalities in Germany. To begin with, both the states and the cities had sufficient statutory power to undertake housing schemes on their own initiative. Further, the German tradition of civic pride and efficient government, which had its early development in the medieval free cities, made state housing projects seem less novel than in England for

(5) Bauer - Modern Housing, 1934, p. 149.

example.

The policy of German municipalities in the acquisition of land has had the most far-reaching effects. German cities for many years, some of them since the Middle Ages, have bought tracts of land both within their own limits and in outlying districts. After 1890, when it was realized that municipal ownership of land would prevent the costly evils of speculation, these purchases accelerated. They provided a means for regulating growth and development and by 1900, in addition to zoning regulations as to use and height, most cities also had detailed plans to which every builder had to conform. Another result of this land policy is that there are many small towns and villages in Germany today which own so much land that their inhabitants pay no taxes. From 1919 through 1926, two-fifths to four-fifths of all the land used for new buildings was from the municipal domain. By 1920 municipalities were authorized to expropriate vacant land for housing purposes, after allowing "reasonable" compensation. This tradition of planning and land buying, coupled with the fact that the period of industrial growth came late in Germany, meant that cities grew much less chaotically there than in other western industrial countries.

The German method of providing funds for cheap housing is also unusual. Much of the co-operative housing of pre-war years would not have been possible without the cheap money supplied by the social insurance funds which were encouraged to make loans for housing. By the end of 1913 about \$114,000,000 of insurance funds were invested in this way.

After the War some further assistance was necessary if

construction was to continue under the abnormal financial conditions then existing. The House Rent Tax was the solution adopted after 1925. (By 1940 it will no longer be levied.) It was levied on all structures built before the War and took advantage of the disappearance of mortgage costs during the inflation. The rate of the tax was from 10 to 50% of pre-war rents and varied with the depreciation of the buildings. The funds resulting from the House Rent Tax were administered directly by the cities.

Between 1927 and 1931, the period of greatest activity, about 70% of new dwellings were built with direct aid by the government. Indirect benefits, by one or other of the many means of assistance, probably accrued to the builders of most of the other 30%.

After 1931 German housing development took a different turn. Partly because of the high cost of urban housing and widespread unemployment and partly because of a growing feeling that Germany must become more largely self-supporting in the matter of food, a movement for rural subsistence-housing has been steadily growing. Since 1931 public money has been lent for new housing only when each dwelling is accompanied by a generous garden plot and the houses are built by unemployed workers.

German experience in community planning has been applied in putting up some of these groups of buildings but that advantage is outweighed by bad features of the plan. Locations are not chosen for suitability of soil, nor for possible value as industrial sites. Rather land is chosen because of its cheapness and this usually means that it is far from highways, railroads and power sources. Social, cultural and educational facilities for the settlers are few. They have no means of applying for employment in the cities and,

should they secure it, transportation difficulties would
(6)
be very great, if not insuperable.

Holland

Of all countries faced with a housing shortage, Holland has come nearest to meeting the need, both in number of houses built in proportion to population and in lowness of rents in relation to wages. And she has demolished relatively more slum areas than other countries. All this has been done at a low cost to the Government. This success seems to be partly accounted for by natural features of the country which impose the necessity of co-operative community effort.

The law which is still the basic housing law in Holland was passed in 1901. It made comprehensive provisions for surveying conditions, establishing standards, expropriating unused land or slum properties (urging the payment of use-value only), requiring towns over 10,000 and all fast growing smaller ones to make detailed expansion plans, and financing public utility housing.

State loans may be provided to local authorities or to public utility societies through the agency of the local
(7)
authorities, who are responsible for payment. Loans may cover up to 100% of the cost and run for 50 years (later 50

(6) It has been suggested that this backward trend in housing occurs because the aim of present policy is not good housing but the relief of unemployment. It has also been said that one aim of this policy is to turn potentially dangerous urban workers into a helpless pauper peasantry.

(7) In 1918 by an emergency measure the Government was empowered to order local authorities to build houses (under liberalized conditions) or to have them built by public utility societies.

years for the building and 75 years for the land). Interest is at the rate currently quoted on state debentures.

Public utility societies are stringently defined in Holland. They are allowed to supply only low-rent housing and must limit their dividends to 4%. A central housing commission has been set up and must pass on all projects. Members of these societies may only rent houses. Outright purchase is forbidden because of the fear that it might lead to speculation.

Loans are also available for direct municipal housing. Subsidies may be provided for lowering charges on loans, half of the cost being borne by the state and half by the local authority. In order to keep housing out of politics, many municipal projects are carried on by semi-official bodies independent of the city governments.

By 1924 the worst of the housing shortage had been met and as building costs had fallen and private enterprise was reviving it was felt that most of the emergency legislation could be withdrawn. A remarkably large proportion of the houses built were within reach of those who needed them. Consequently the government has been able largely to withdraw its financial support except for slum-clearance and provision of the cheapest type of dwelling which private enterprise could not produce in sufficient number. Local authorities have not reduced their activity to the same extent. In 1930 they were still building houses out of their own funds, continuing their grants and subsidies to public utility societies, and guaranteeing private loans. This assistance, however, was on a smaller scale than it has been when the shortage was really acute.

The programme of public housing seems to have had the effect of establishing modern building standards and economic methods even for private enterprise. "There is no country

in which the new method of housing - community, unit planning, large scale construction, supervised standards and longtime investment financing has so completely superseded the old speculative piece-meal method." (8)

Sweden

The most notable thing about housing developments in the Scandinavian countries, and particularly Sweden, is the success achieved by co-operative societies. Their schemes have been greatly assisted by the fact that many Swedish towns, like the towns of Germany, have bought up land near the city limits, thus removing it from speculation and making it available for controlled housing schemes. Stockholm has been pursuing this policy since 1880 and by 1912 owned tracts of land near its borders amounting to twice the area of the city. At the present time five other Swedish towns own from 47% to 80% of their administrative areas.

As in most European countries, there was a housing shortage in Sweden after the War, and municipally-owned land began to be used widely for housing. The Small House Bureau of the city of Stockholm has one of the finest records of individual house construction in Europe. This bureau is the most active branch of the city's real estate department. Its activities are kept out of politics and are not affected by changes of government. Under Stockholm's small house plan, garden areas have been built. Home owners need not buy the land but pay a yearly rent to the city. This arrangement makes it unnecessary for the small wage earner to tie up his money in land and also permits civic control in choice of families and house plans. Very full references are required from families

(8) Bauer, op. cit. p. 285.

making application under the scheme. Usually the families chosen have been in the group whose income ranges from \$800 to \$1,300. These families form a more or less homogeneous group with small incomes and relatively steady employment. Preference is given to indoor workers, to those who live in crowded areas and to families with children.

Once a family has decided to build a house a down payment of about \$80 is required. Various attractive plans are available from the bureau and a considerable amount of pre-fabrication of basic requirements for the houses has been economically worked out, though this does not mean monotonous uniformity. Economies are also effected in the purchase of materials which the city buys at wholesale rate. The net result is a saving to the home owner of 10 to 30%. Prospective home owners build their own houses under expert supervision from the bureau. Their labour is valued at about \$270 per house. Credit for the remainder of the cost of the house is provided by the city, the amount varying with the type of house. This sum may be paid off in annual instalments over a period of 30 years. As security the city takes a first mortgage on the house. The credit granted by the city usually equals about 90% of the cost of house. There is no subsidy by the city nor any burden on the taxpayer though the presence of cheap land gave great initial assistance to the scheme. The houses are not in any sense jerry-built, but are made to stand the rigours of a severe northern winter and must comply with Stockholm's strict building laws.

Proof of the success of the plan is found in the fact that during the depression only two houses were sold at sheriff's sale and they found immediate purchasers. For 1934, the real estate department of Stockholm reported a surplus of 817,000 kroner (roughly \$204,200) on its operations. The so-

called "Magic House" (9) plan "has provided comfortable suburban homes for more than 50,000 people, and at a lower cost than any other housing scheme in Europe". (10)

The co-operative apartment house is another distinctive feature of modern Swedish housing. The first Co-operative Housing Society was formed in 1916 in Stockholm and later a national society known as the Tenants' Savings Bank and Building Society, or the H.S.B. was organized. The H.S.B. has had a remarkable growth, particularly in Stockholm, but co-operative apartment houses have become common all over Sweden. More than 15% of Stockholm's 500,000 people live in co-operative apartment houses. Building continued during the depression according to financial and construction plans made several years in advance. As with co-operatives in other fields, the H.S.B. has competed in the open market. People are attracted to the co-operative apartments because they are superior to the others in almost every respect, besides being lower in rent. In Stockholm the annual rents are generally 10 to 30%, and in most other Swedish towns 25 to 30%, lower than those of privately-owned houses.

Four different plans for building co-operative apartment houses are in operation. The first is known as the A House. Under this plan a member of the H.S.B. must pay down 10% of the cost of his apartment. This sum varies from \$190

(9) This "Magic House" plan of the city of Stockholm was not adopted until several other housing schemes had proved unsuccessful. At first the city arranged to have private contractors build suburban houses on city-owned land on the basis of a 25% down payment, the balance in a loan guaranteed by the city. It soon became obvious that the income group most in need of housing could not manage the down payment and another scheme had to be found. The possibility of building small rudimentary houses with few modern conveniences was considered. But a survey of the "jungle suburbs" surrounding other European capitals caused the plan to be abandoned. The small house scheme was the plan ultimately adopted and it seems to have worked well.

(10) Childs, Sweden, The Middle Way, 1936.

to \$270 for one room, bath and kitchen and from \$1,070 to \$1,180 for 5 rooms, bath and kitchen. Annual rents vary from \$125 to \$215 for the smallest apartments and from \$700 to \$865 for the largest. Members furnish 10% of the capital, private banks and insurance companies 10% to 15%, city and state 75% to 80%. Arrangements for the B House include a 5% deposit which ranges from \$80 to \$135 for the smallest and from \$350 to \$400 for the largest apartment. Rents range from a minimum of \$120 to a maximum of \$485 for the five room apartment. Members furnish 5% of the capital, city and central government 80 to 85%. The C House is designed for a lower income group. Here tenants pay no deposit at all, the state and city paying virtually the whole capital.

Deposits made by tenants are treated like capital from any other source. They draw 6% interest annually and at the end of a 20-year period all deposits are returned in full and annual rents are automatically reduced 20%. The balance of the rent goes almost entirely to pay the actual cost of upkeep and repair of the building.

The D type building is erected by the housing societies in conjunction with various city or municipal authorities. This type of building is intended for large families belonging to the lower income groups. The state subsidizes the building and also provides subsidies for rents ranging from 30% to 50%. The programme includes the provision of housing for 20,000 families. So far about 2,850 of these dwellings have been built of which more than 1,800 have been built by the H.S.B.

The progress of co-operative housing in Sweden is especially remarkable when it is remembered that the co-operative movement is relatively new to Sweden and has shown a vigorous growth only in the last 20 years. In 1936 there were co-operative houses containing nearly 25,000 flats,

doubly significant when it is remembered that Sweden is predominantly rural. In Stockholm alone there are 78 H.S.B. houses in which 65,000 people live.

Summary.

Any survey of the development of housing in Europe makes evident several points which have particular interest for a country inexperienced in public low-cost housing projects. One is the wisdom of the land policy of municipalities which bought land valuable for future housing projects, and removed it from speculation. This may be done by keeping the buildings in co-operative ownership, by selling the land subject to certain re-sale restrictions or by letting it out on long leases, thus making possible individual or public housing projects without the burden of high land costs. It is true that most European municipalities could more easily participate in schemes of this kind because of the statutory power invested in them and that many of them had pursued policies of land control for many years. But that long experience is not necessary in order to reap the benefits of wise land control is clearly shown by the example of Berlin. Up to 1914 land speculation around Berlin was more extreme than in any other large continental city. A survey made just before the War showed that in Berlin the average cost for developed land suitable for small dwellings, ranged from \$1.80 to \$3.25 per square foot - making the erection of tall congested tenements practically unavoidable. But state and city-aided housing developments constructed since 1926, all of them open and spacious, were built on sites costing from \$.25 to \$.30 per square foot. And this was made possible without confiscation. The city had been gradually

acquiring land and when it was to be used for co-operative or other semi-private limited-dividend housing, it was rarely sold outright but was leased cheaply for a long term. A similar achievement by English local authorities is perhaps more remarkable. These municipalities have had even less tradition of land-purchase and control than most American cities, yet many of them have been buying tracts of land large enough to accommodate satellite towns.

This land policy is indicative of a widespread recognition among modern housing authorities that any attempt to solve the housing problem permanently must be part of a wider scheme of community and city planning with wise zoning regulations and the establishment of some central body to guide expansion and to set up and enforce standards of construction, spacing, etc.

Perhaps the most important single factor common to the experience of all European countries is the recognition that public subsidies for housing projects are necessary if the lowest income group in the community is to be provided with satisfactory dwellings. ".....It is invariably found", states Catherine Bauer, "that the lower-income groups cannot pay an 'economic' rent for such a dwelling even when state funds are supplied at cost..... It is true of fairly stable countries with low interest rates, like Holland and Switzerland. It is true of countries with relatively high wage-levels like Switzerland and the United States and Sweden. It is true of Germany where the cost of raw land for housing has been reduced to an almost negligible quantity."

T A B L E 2 - POST-WAR HOUSING IN EUROPE - A SUMMARY CHART. (a)

Country (or City)	Population 1930 (or nearest census)	Period Covered by Figures (incl.)	Total Dwellings Constructed	Total Built With Official Aid	Total Built By Public Authorities	Total Built By Public Utility Societies	% of Population Living in State- Aided Dwellings.
Germany	62,430,000	1919-1933	3,000,000	2,500,000	250,000	1,500,000	18%
Holland	7,527,000	1919-1928	450,000	250,000	40,000	110,000	15%
Belgium (except war reconstruc- tion)	7,466,000	1919-1933	250,000	200,000	None	70,000	12%
France: Paris and Environs	4,800,000	1922-1933	Not available	100,000	50,000	Not available	10%
Austria: Vienna	1,839,000	1920-1933	65,000	62,000	59,000	3,000	15%
Denmark: Copenhagen	772,000	1920-1929	45,800	35,000	9,300	18,700	20%
Sweden: 280 Towns	2,000,000	1917-1929	129,800	57,400	12,200	16,000	13%
Norway: 5 Big Towns	478,000	1914-1928	16,600	14,900	7,800	4,800	14%
Switzerland: Zurich	251,000	1910-1931	Not available	12,100	2,100	10,000	22%

(a) Bauer, Modern Housing.

Chapter 3 - Housing Policies in the United States

Except for the United States Housing Corporation organized in 1917, the American federal government had no direct part in housing before the depression. Government concern was shown by the holding of the President's Conference on Home Building and Home Ownership in 1931. Then in 1932 the federal government made its first significant attack on the problem by setting up the Federal Home Loan Banking System.

There were of course a number of earlier attempts by private and public organizations to find some solution for the housing problem, as in Radburn, N.J., Chatham Village in Pittsburgh and the Amalgamated Clothing Workers' apartments which were the result of co-operative trade union action. Many of these experiments, though they did not touch the low income group, were valuable as examples of what could be done in town planning or in non-profit making housing. Some of the earlier American experiences provide examples of another kind. In New York City, which for a considerable period subsidized the speculative building industry, every house built between the beginning of 1921 and April 1924 was tax-exempt wholly or in part until 1931. Most of these structures were flimsy and poorly built, yet none of them was within reach of any but the top third income group. Dr. Edith Elmer Wood has calculated that these dwellings cost the taxpayer nearly \$200,000,000. This is only the direct subsidy, and leaves out of account all the costs of foreclosure, bankruptcy and tax-delinquency, etc. "Needless to say, there is no city in Europe whose outright subsidies for planned low-cost housing or slum-clearance came anywhere near \$200,000,000."⁽¹¹⁾

The number of agencies now operating in the housing field in the United States makes a clear presentation of the existing organization rather difficult. Practically all the agencies are independently administered. Many of them are

(11) Bauer, op. cit., p. 238.

regarded as emergency bodies, and their work is in a state of flux. The difficulty of getting a consistent housing policy under these conditions is apparent, and the number of advisory and co-ordinating bodies suggests the intricacy of the administrative problems. The Central Housing Committee was established in August 1935 to devise means of co-ordinating policies and procedures.

Housing agencies in the United States fall into three main classes: first, those concerned with new housing construction; second, those concerned with re-financing mortgage debt; third, those which make loans for both re-financing and construction.

Before the 1937 Housing Act, there were four main agencies falling into the first class - the Housing Division of the Public Works Administration set up in 1933 under the National Recovery Act, and continued by the Emergency Relief Act of 1935; the Resettlement Administration, 1935; the Works Progress Administration, 1935; and the Tennessee Valley Authority, 1933. This last agency provides temporary housing for workers engaged on the Tennessee Valley Project; the Public Works Administration provides relief work through the demolition of buildings when new building is anticipated.

The work of the housing division of the P.W.A. and the Resettlement Administration has been more extensive than that of the other two agencies. The chief purposes of the housing division were to provide employment and to demonstrate the possibilities of slum clearance and low rent housing. At first the division tried to have limited dividend corporations initiate projects assisted by building loans. These loans were to cover 85% of the estimated cost, be amortized in 30 years and carry an interest rate of 4%. This method of providing low cost housing did not prove satisfactory; only seven applicants finally qualified for loans. In February, 1934, the housing division changed its policy and has undertaken to initiate

finance, and construct projects on its own responsibility. "Adoption of this policy meant that the housing division was convinced that the only means of reaching low income groups was through publicly-constructed, subsidized housing".⁽¹²⁾ Late in 1936 another change in policy was announced by the Administrator. Funds are now to be allotted to legally constituted housing authorities on a loan and grant basis. The experience of P.W.A.'s housing division will be of great benefit to local authorities undertaking housing and management.⁽¹³⁾ Management will in all likelihood be their first problem for the P.W.A. will lease or sell completed projects to local authorities as soon as they can accept the responsibility. Adverse court decisions regarding land appropriations hampered the housing division's attempts at slum clearance. In 1936 the question was brought to the doors of the Supreme Court. There it was dropped because the decision of the housing division to decentralize authority, as long as it is in force, makes the federal government's right to condemn land for housing a matter of purely academic interest. By 1936, twenty states had passed housing laws creating machinery by which decentralization could take place.

The George-Healey Act passed in June, 1936, lays down a number of regulations about tenant selection. Families admitted to residence in P.W.A. projects must come from homes certified as substandard and there must be no adequate housing available in the community within the family's means. Finally, the income of the family must not exceed five times the rentals asked for the desired dwelling.

(12) David T. Rowlands, Urban housing activities of the federal government. Annals of the American Academy of Political and Social Science, March 1937.

(13) It is interesting to note that of the P. W. A.'s field management staff, nine out of eleven are graduates of the training school maintained by the National Association of Housing Officials.

The first federal project, Techwood Homes in Atlanta, Georgia, was completed and occupied in 1937. The Director of Housing, P.W.A., in the Housing Officials' Year Book 1937, gives some information about this project. At February 1, 1937, Techwood Homes were 96% occupied. The average weekly income was \$21.29 and 88% of all families earned less than \$25.00 per week. The average rent per room per month in apartments with completely equipped kitchens and bathrooms is \$5.58. There is an additional charge of \$1.81 for heat, light, hot water, cooking and refrigeration. The average total rent for a four room apartment in Techwood Homes is \$27.77 per month.⁽¹⁴⁾

The Resettlement Administration is not primarily a housing agency. Its chief interest is "to demonstrate that land, houses, and people can be put together in such a way that will strengthen the foundations of our economic and social structure."⁽¹⁵⁾ For example, in farm areas the house is considered as part of the general farm plan, while in rural communities houses are built with the intention of relating each house to the rest of the community. Houses in "rural-agricultural communities" or "rural-industrial communities" are built with due consideration of the particular problems of the district.

The suburban resettlement phase of the work is more directly concerned with problems of housing and it is under this part of the administration that the three greenbelt towns are being built. These are rural-industrial communities being built on the outskirts of badly crowded cities on sites carefully chosen for their beauty, accessibility to employment centres and location with respect to the general direction in which industry

(14) The Director of Housing reported in 1937 that besides Techwood Homes, construction was virtually completed on five other projects, and work had been begun on thirty-five additional projects.

(15) W.W. Alexander, Housing Activities of the Resettlement Administration, Housing Officials' Year Book, 1937, p.20.

is expanding. These towns which will eventually house 3,000 to 5,000 families are being carried out on a demonstration basis and are an example of what community planning can achieve. It seems unlikely, however, that any of the homes will be within reach of the lowest income group.

The second class of housing agency is concerned mainly with financing existing mortgage debt, not with providing new houses. The Home Owners' Loan Corporation refinances mortgage debt on residential properties when mortgagees are in distress.

The third group of housing agencies makes loans both for refinancing debt and for construction. These are the Reconstruction Finance Corporation, the Federal Housing Administration, and the Federal Home Loan Banking System. This group of agencies seems to be chiefly concerned with strengthening the mortgage structure of the country and, except for the Federal Housing Administration's insurance of first mortgages on low-cost housing, "none of this group is concerned with the construction of "low cost" housing for the lowest income groups."⁽¹⁶⁾ The Federal Housing Administration's insurance work did not expand as rapidly as its other activities and seems to have reached only a very small number of the lowest income group. According to the 1930 census 45.9% of all dwellings in the United States required the payment of less than \$30 per month. On this basis, assuming present rates to be roughly comparable to those of 1930, rents even for units with a small number of rooms could seldom be above \$6 or \$8 per room if they are to be within reach of 45.9% of the population. But only 1.8% of the low-cost housing projects insured by the F.H.A. had rents at this figure, and only one-sixth had rents less than \$12 a room.

(16) David T. Rowlands, Urban Housing Activities of the Federal Government, *Annals of the American Academy of Political and Social Science*, March, 1937.

The Federal Housing Administration was set up by authority of the National Housing Act of 1934. Its general purposes were "to stimulate home building, encourage the investment of private funds in construction, create jobs and bring orders for materials to heavy industries. To ensure lenders a safe investment it provides federal insurance on bank loans for home repairs and on mortgages for new construction; to encourage people to borrow for home building, a drive is being made to reduce prices of building materials and to urge families to invest in home construction."⁽¹⁷⁾ There have been several minor amendments to the Act and a more important one in February 1938. The most recent amendment liberalizes the mortgage and insurance provisions of the Act and guarantees the payment of from 80 to 90% of the amount loaned by banks and other finance companies. The purpose is to increase residential building. The initial payment required and the interest rate were both reduced but the down payment for the purchase of a \$5,000 house is still \$500 (previously it was \$1,000). Loans may now be made for new houses on farms and in rural areas or on the borders of large cities where standards set by the original Act did not apply. The amended Act also provides for insurance on loans made to certain government or private agencies engaged in rehabilitating slums or blighted areas.

More important as a step towards adequate provision of low cost housing is the United States Housing Act of 1937, commonly referred to as the Wagner-Steagall Law. This Act provides for the spending of \$500,000,000 over a three year period for the construction of dwelling units costing not more than \$4,000 per unit or \$1,000 per room in communities not over 500,000 population. These limits may be slightly increased in larger cities. Neither includes the cost of land.

{17} The Labour Gazette, September, 1934.

A corporation known as the United States Housing Authority is created to administer the Act. The Authority may make loans to public housing agencies ⁽¹⁸⁾ to assist in the development, acquisition and administration of low-renting housing or slum-clearance projects. Loans may not exceed 90% ⁽¹⁹⁾ of the development or acquisition cost of the projects, bear interest at not less than the going federal rate when the loan was made plus one-half of one per cent, and must be repaid within a period not longer than 60 years.

Besides making loans, the Authority may make annual contributions to public housing agencies to be paid in fixed uniform amounts over a specified period of years. Before contributions are granted, the state, city, county or other political subdivision in which the project is situated must undertake to make 20% of the annual contributions by cash or tax remissions. It is also provided that contributions may not be made to any project unless it includes the elimination, in the same district, of unsafe or insanitary dwellings substantially equal in number to the number of new houses built. Where there is a serious shortage of low cost houses, this part of the work may be postponed. Contributions are to be limited to amounts necessary to ensure the low-rental of the finished project.

As an alternative to the system of annual contributions, the Act provides for capital grants to public housing agencies. As with the annual contribution, the purpose of the grants is to ensure low rents. The same requirements are made

(18) A "public housing agency" is defined in the Act as, "any state, county, municipality or other governmental entity or public body (excluding the Housing Authority) which is authorized to engage in the development or administration of low-rent housing or slum clearance."

(19) The Act defines "development" as "any or all undertakings necessary for planning, financing (including payment of carrying charges) land acquisition, demolition, construction, or equipment in connection with a low-rent housing or slum-clearance project, but not beyond the point of physical completion." "Acquisition cost" is defined as "the amount prudently required to be expended by a public housing agency in acquiring a low-rent housing or slum-clearance project."

about the 20% contribution from the state or other subdivisions and about slum clearance. The capital grant may not exceed 25% of the development or acquisition cost.

The Authority must sell its federal projects or give up their management by leasing the property. A federal housing project may be sold or leased only to a public housing agency.

The Act contains several labour clauses; and it also makes provision for the maintenance of an open space or playground for the safety or health of children.

It is early yet to know how much will be done under the new Act. But the United States Housing Authority announced on January 12, 1938, that total funds amounting to \$146,645,000 have been set aside for 40 cities for slum-clearance and low-rent housing projects during the next two years. \$18,000,000 has been assigned to New York City and \$4,900,000 to Buffalo.

The activities of the older housing agencies however are far enough advanced to show one thing very clearly; none of these schemes has adequately provided decent housing accommodation within reach of the lowest income group in the community. Table I gives a summary of the distribution of family income in the United States in 1929, 1933 and 1935. 59.2% of American families had a family income of less than \$1,500 in 1935, and even in 1929 slightly more than one-third were under the \$1,500 level. It is generally considered that not more than one-fourth to one-fifth of the family income should go for rent. On this basis, it can be seen that there is a real need for housing accommodation at \$8 to \$25 a month; a need that was not filled by the older housing agencies.

Table 3

Family Income Distribution in the United States of
America in 1929, 1933 and 1935 (a)

<u>Income Group</u>	<u>Percent of Total</u>		
	<u>1929</u>	<u>1933</u>	<u>1935</u>
Up to \$499	3.0	24.6	20.6
\$500 to \$999	9.6	25.4	15.9
\$1,000 to \$1,499	21.9	19.2	22.7
\$1,500 to \$1,999	18.9	13.7	17.4
\$2,000 to \$2,499	12.7	6.4	9.2
\$2,500 to \$2,999	9.5	4.3	6.2
\$3,000 and over	<u>24.4</u>	<u>6.4</u>	<u>8.0</u>
Total	100.0	100.0	100.0
National family income (in billions of dollars)	\$83.6	39.2	53.1

(a) From the Monthly Labour Review March, 1938.

Chapter 4 - Housing in Canada.

1. The Background of the Problem

The housing problem in Canada arose in a period of swiftly increasing population, rapid urbanization and the expansion of the agricultural and mining frontiers. There were important movements of population, and housing accommodation had to be rapidly provided for growing communities. The conditions of the time led to speculation by real estate and building promoters, there was no adequate planning by municipal and governmental authorities, and buildings were erected on the optimistic assumption that they would be replaced by more substantial structures in the future. The results are evident today in the over-developed services of particular urban and rural areas, the haphazard lay-out of most Canadian cities, the flimsily built houses which have deteriorated much in advance of the normal life-span of properly constructed dwellings, and the small uncomfortable living quarters which are found in the rural communities of Western Canada and in mining towns. (21)

Dominant in the situation has been the fact that many of the people for whom accommodation had to be provided possessed little capital. This was especially true of the European immigrants who poured into Western agricultural communities or into urban centres after the turn of the 20th century. Their large number and extreme poverty meant that in the cities they have

(20) On housing in Quebec, see Professor Minville's study on Social Legislation in the Province of Quebec, Chapters XI and XII.

(21) See Appendix 2, Tables 7 and 8, for statistics regarding rural housing accommodation.

occupied badly constructed or over-crowded houses charging low
(22)
rentals.

To a considerable extent the failure of house-building to progress with increases in population, and the generally bad housing conditions in urban and rural areas, are products of a state of mind typical of an expanding frontier or of industrialization. Capital resources, for instance in Western Canada, were invested in productive enterprises rather than employed to improve the amenities of life. Towns and cities competed with one another in attracting industries, and little thought was given to the selection of sites. Tax exemptions granted the manufacturing firms by over-zealous municipal authorities imposed additional burdens upon the general rate-payers and increased the difficulty of developing adequate services for a growing population. The dominance of the pecuniary motive and the optimistic acceptance of a philosophy of expansion are sharply reflected in the Canadian housing problem.

Further, the mobility of population discouraged permanent building for future needs. The rigidity of investments in houses meant that full returns could be secured only over a long period of time. The temporary character of dwellings in mining and western farm communities was partly a result of the reluctance to invest in a form of property for which the period of utility was uncertain. Similarly, in urban centres, the existence of a floating population encouraged the builder to provide a type of house which would quickly realize its

(22) cf. Bryce M. Stewart, The Housing of our Immigrant Workers, Papers and Proceedings of the First Annual Meeting of the Canadian Political Science Association, Vol. I, 1913, pp.98-111.

investment value rather than one which would attract permanent residents.

Expanding urban communities provided an admirable field of activity for real estate and building speculation. Such speculation has led to many of the worst evils in urban housing. Inflated land values and assessment valuations based upon speculative prices resulted in the construction of unsatisfactory dwellings in suburban areas. At the same time, high rents in the downtown areas meant the crowding of two or more families in single residences as a means of reducing expenses. The results were an increased per capita cost of services for scattered residential districts, and the beginning of slum conditions in those central areas where congestion was most marked.

Speculative activity in combination with the pressure of industrial firms seeking suitable locations in urban centres, prevented the enforcement of any effective town-planning regulations. Paper schemes of zoning and the ambitious town plans of early real estate companies broke down in the face of the dominant drive to secure maximum returns from real estate investments and to encourage further building as a means of broadening the tax base.

To sum up, in Canada the housing difficulties of low income groups common to all countries have been complicated by conditions peculiar to a young country - rapid growth, inflated real estate values, speculative activity, influx of poor immigrants and lack of planning. The phenomenal growth of urban population in Canada in the past thirty years would of itself have imposed a severe strain on housing accommodation. During this period, Saskatoon, Regina, Verdun, Calgary and Edmonton grew from small towns to important cities, while Vancouver grew in population by eight and one-half times, Winnipeg and Windsor

by over five, Toronto and Hamilton by three, Montreal by two and one-half, Quebec, Ottawa and London by two, Halifax by one and one-half, and Saint John by one and one-fifth. In all, the population of these sixteen cities increased by 1,953,685 people. But on top of this growth came four years of war when the resources of the nation were turned into new channels, a further period of expansion marked by considerable immigration especially into urban centres, and eight years of severe depression resulting in the almost complete cessation of building activity. The inevitable result is a housing problem of unusual magnitude and acuteness.

2. History of Housing Action in Canada

The field of housing is undoubtedly within provincial jurisdiction under one or other of the following specified powers in Section 92 of the B. N. A. Act:

- "2. Direct Taxation within the Province in order to the Raising of a Revenue for Provincial Purposes.
- 8. Municipal Institutions in the Province.
- 10. Local Works and Undertakings.....
- 11. The Incorporation of Companies with Provincial Objects.
- 13. Property and Civil Rights in the Province.
- 16. Generally all Matters of merely local or private Nature in the Province."

This was generally recognized in early action on housing all of which was undertaken by provincial and municipal governments.

Even before the War the inadequacy of housing was so apparent that attempts were made to improve conditions. In 1912, a housing and town-planning conference was held in Winnipeg to cope with the evils of haphazard urban growth, but it had little practical effect. The next year the provinces of Alberta, Nova Scotia and New Brunswick copied in part the English Housing and Town Planning Act of 1909. In Halifax, a town-planning scheme was worked out by civic officials, under the provisions of the Nova Scotia Act but it was never ratified and put into effect.⁽²³⁾ The New Brunswick legislation, according to H. L. Seymour, Ottawa Planning and Housing Consultant, erred

(23) Housing in Halifax, A Report, 1932, p. 35.

"in imposing time-wasting regulations not suited to Canadian conditions and in not being concerned with replanning problems." (24)

For the most part, little progress was made by the rapidly growing Canadian cities before the Great War in instituting planning schemes.

Nor were efforts to cope directly with the housing problem much more in evidence. A housing scheme was launched in Toronto in 1913, but it was not very extensive in scope nor did it provide for the needs of the lower income group. An Act of the Ontario Legislature in this year empowered municipalities to guarantee 85% of the bonds issued by housing companies provided the remaining 15% had already been raised without borrowing. Dividends were limited to 6%. The Toronto Housing Company, incorporated under the Act provided accommodation for 334 families. The dwellings constructed were self-contained cottage flats of from three to six rooms with rentals in 1934 ranging from \$23 to \$40 a month. The company paid 5% on its bonds in 1923, and from then until 1933 it was able to declare maximum (25) dividends. In a few other municipalities notably Vancouver and Winnipeg, attempts were made to govern lighting and air provisions in multiple dwelling units. But these were unsuccessful because of the opposition of property owners and the difficulty of obtaining evictions from condemned property when suitable accommodation was rarely available elsewhere at a sufficiently low rental.

The housing shortage, already bad enough to arouse attention in 1914, became acute after four years of reduced building activity, high prices and movements of population resulting from

(24) Social Welfare, June-September, 1937, p. 53.

(25) cf. Report of the Lieutenant-Governor's Committee on Housing Conditions in Toronto, 1934, pp. 74-76.

the Great War. The problem was considered in 1918, at a conference between representatives of the Dominion and provincial governments and the next year at the National Industrial Conference. In this latter year a Royal Commission, appointed to investigate Canadian social and industrial problems, reported that the scarcity and bad quality of houses were among the chief causes of social unrest. The result was the formation of a housing committee of the cabinet which, in co-operation with the Committee on Conservation, drew up a general housing scheme. A loan of \$25,000,000 was authorized by the Dominion Government to the provinces on the basis of a 25% participation, the provinces in turn making loans to the municipalities. Of the total sum advanced, Prince Edward Island received \$50,000, Nova Scotia \$1,537,000, New Brunswick \$1,525,000, Quebec \$7,369,690, Ontario \$9,350,000, Manitoba \$1,975,000, and British Columbia \$1,701,500. No advances were made to Saskatchewan or Alberta. (26)
In all, 6,244 houses were built under the scheme.

Results varied from municipality to municipality, but Winnipeg appears to have been the only city which could boast of a really successful housing programme. With total loans advanced of \$2,757,848, 712 middle-class homes of five or six rooms were built by the Winnipeg Housing Commission from 1920 to 1923 inclusive. The success of the venture is attested by the fact that, in 1932, the net profit of the Commission, after paying debenture interest and administrative expenses, was \$14,754. (27) Ottawa received \$741,000 for house building, but mismanagement of funds and inefficient administration resulted in the failure of the programme from a financial point of view.

(26) Special Committee on Housing of the House of Commons, Ottawa, 1935, p.93.

(27) Ibid, p.20.

"The history of the Ottawa Housing Commission", the Commissioner of Finance of the city stated before the housing committee of the House of Commons, "makes rather sorry reading almost from the beginning, and the venture has been a very costly one for the ratepayers."⁽²⁸⁾

On the 171 houses which were built, the net loss incurred by the ratepayers of Ottawa, to March 7, 1935, was in excess of \$332,499.71.⁽²⁹⁾ In London, Ontario, a housing commission was organized and loans were made to individuals for the construction of 112 houses. The commission itself also built 57 houses. The total expenditure covered by an issue of debentures was \$700,000, an average for each house of \$4,140. The estimated loss to the city through the commission to January 1, 1935 was \$150,000, most of the losses being incurred on those houses which were built for sale.⁽³⁰⁾

In the Province of Quebec, the housing scheme of 1919 was equally unsuccessful. "The mess" said Percy E. Nobbs before the Committee of the House of Commons,⁽³¹⁾ "is still to be found all over the Province."

The housing scheme of 1919 was launched before adequate machinery and techniques of administration had been developed. Dependence was placed upon the municipal organization and, except in Winnipeg, the commissions established to supervise the housing programme were in the main negligent and inefficient. They were made up of non-paid members with little or no previous experience in this type of work who do not seem to have taken their task very seriously. But it is questionable whether, even with efficient management, the scheme of 1919 would have been successful. It was launched at a time when prices were at their

(28) Ibid, p.58.

(29) Ibid, p.60.

(30) Ibid, p.361.

(31) Ibid, p.40.

peak so that investors in the houses financed by the loans found their equity wiped out when prices fell. The brief of the National Construction Council of Canada, presented before the Committee of the House of Commons, offers this explanation for the failure of the scheme: "The housing (under the Act of 1919) was initiated at a time when there was a shortage of labour and materials resulting in abnormally high cost of building. The housing was not for the lowest income groups but for those who could invest a small equity. In many cases the houses were occupied by those who could have afforded better homes and for whom no financial assistance was necessary. When the housing shortage was taken up, values declined: with the result that those who had purchased the houses erected under the 1919 Act found that their equity, which was very small, had been wiped out and that they were paying more per month than they would have to pay to obtain the same accommodation on a rental basis in houses built when prices were lower. The result was that in some municipalities it was necessary to repossess some of these houses. During the past few years many of those who purchased these houses have been unable to meet their payments or to keep the houses in repair."⁽³²⁾

What improvement there was in the housing situation after 1920 resulted from better economic conditions rather than from governmental aid. Building activity continued fairly steadily between 1920 and 1929, reaching its peak in the latter year.⁽³³⁾

(32) Ibid, p.101.

(33) The following is the value of construction contracts, in millions of dollars, based upon the compilation of Maclean Building Reports, Ltd. (Canada Year Book, 1937, p.494):

1911: 345	1918: 100	1925: 298	1932: 133
1912: 463	1919: 190	1926: 373	1933: 97
1913: 384	1920: 256	1927: 419	1934: 126
1914: 242	1921: 240	1928: 472	1935: 160
1915: 84	1922: 332	1929: 577	1936: 163
1916: 99	1923: 314	1930: 457	
1917: 85	1924: 276	1931: 315	

But after 1930 the sharp break in construction, resulting from the recurrence of depression, meant an increasingly acute problem of housing accommodation. The depressed condition of business and the decline of salaries virtually stopped building of middle-class residences, while the fall in wages and the phenomenal increase in the number of unemployed radically reduced the capacity of the lower income groups to pay rents. The effects were evident in a decreased number of available homes, the doubling-up of tenants in congested residential areas, and the deterioration of low rental houses through the inability of landlords to make necessary repairs.

Recent Dominion Housing Action

The need for a concerted effort to solve the urban housing problem was apparent. At the same time, the growing problem of unemployment led governmental authorities to seek methods of putting men back to work. To some extent, the combination of these two problems has been met by government aid to house-building.

In 1935, the Dominion Housing Act (c.58) was passed under which the Dominion government made available a loan fund of \$10,000,000 for prospective builders. Loans under this legislation were offered through ordinary lending channels and not through municipalities as in 1920. One-fifth of the necessary capital was required from the borrower, one-fifth was provided by the Dominion, and the balance by the lending organization. Loans were granted at a rate of 5%, made up of the loaning company's share at 5 1/3% and the Dominion's share at 3%. They were made for a period of ten years in the first instance and are renewable for a further period of ten years. The amortization schedule set up is such as to retire the loan in twenty years but the borrower may arrange for a higher monthly amortization of the loan if he so desires. Builders were required to meet detailed specifications of construction drawn up by the government.

Up to July 31, 1938, 3,371 loans totalling \$21,155,655 had been advanced (three-quarters by private companies and one-quarter by the government) to provide for 5,295 family units. The average loan per family unit for the entire period of operation was 3,995 representing a total capital expenditure of about \$5,000. However, a number of loans of smaller sums were made as the following table indicates.

Dominion Housing Act

<u>Loan</u>	<u>No. of Units</u>	<u>%</u>
2,000 and under	235	4.44
2,001 - 2,500	485	9.16
2,501 - 3,000	1,063	20.08
3,001 - 3,500	868	16.39
3,501 - 4,000	877	16.56
4,001 - 4,500	420	7.93
4,501 - 5,000	349	6.59
5,001 - 6,000	448	8.46
Over 6,000	550	10.39
	<u>5,295</u>	<u>100.00</u>

Up to July 31, 1938, the total loans were distributed among the
(34)
provinces as follows:

Dominion Housing Act

<u>Province</u>	<u>Units</u>	<u>Amount</u>
Prince Edward Island	10	\$ 54,034
Nova Scotia	375	1,634,498
New Brunswick	98	416,857
Quebec	1,200	5,491,922
Ontario	2,552	10,070,424
Manitoba	150	638,634
Saskatchewan	2	8,200
Alberta	-	-
British Columbia	908	2,841,086
	<u>5,295</u>	<u>\$ 21,155,655</u>

Opinion differs respecting the results of the Act.

It has been criticized on the ground that it favoured the construction of large homes in districts occupied by the well-to-do, while those districts needing the greatest help were overlooked. This was especially true during the early period of its operation. Of the 40 loans registered under the Act in Toronto, by the middle of 1936, almost all went to the wealthy sections known as the Kingsway, Forest Hill Village, Stewart

(34) Press Release, Department of Finance, Ottawa.

Manor, Cedarvale, and North Toronto; only one went to the Township of Scarboro, while the Township of East York with a population of nearly 38,000, and the nearest municipality to the business centre of Toronto received none.⁽³⁵⁾ It has been charged also that the Act did not materially stimulate the housing industry as many lending institutions, particularly at the beginning, were reluctant to be parties to 80% mortgages upon buildings made from plans and specifications laid down by the government.⁽³⁶⁾

On the other hand apologists for the Act have maintained that neither of these charges was well founded. F. W. Nicolls, Director of Housing in the Department of Finance, writing in The Clubman, February, 1937, p. 14, maintained that since the regulations encouraging lending institutions to make loans to prospective house owners of moderate means, went into effect in September, 1936, "The Dominion Housing Act is accomplishing one of the primary purposes for which it was intended, that of assisting the small house owner, particularly the man of moderate means, to own his own home". Mr. Nicolls went on to argue that the Act had made the Canadian people "house conscious" - showing them the possibility of owning a well-built, convenient, modern home at a minimum of cost - and had directly or indirectly been responsible for a substantial proportion of the volume of house building in Canada during 1936. Statistics as at June 30, 1938, show that 3,188 family units or 65.9% out of a total of 4,839 had been financed by loans of less than \$4,000. Dr. W. C. Clark, Deputy Minister of Finance, writing in Social Welfare, admitted that the Act was not a suitable vehicle for ambitious slum clearing projects and stated that it was not intended to serve

(35) J. F. Coughlin, "Housing and Slum Clearance in Europe and North America", Toronto, 1936, pp.20-21. H. L. Seymour, Ottawa Planning and Housing Consultant, writing in The Legionary, March 1938, pp. 37-38, made a similar criticism of the Act.

(36) cf. J. F. Coughlin, "New Housing in Canada and other British Nations", Toronto, 1937, pp.43-44. Also The Clubman, February, 1937, p. 15.

such a purpose. He maintained that it was "already making what is believed to be a significant contribution to the amelioration of the housing problem and it has many important possibilities still to be explored".⁽³⁷⁾

The Home Improvement Plan, resulting from the recommendations of the National Employment Commission, was launched in November, 1936⁽³⁸⁾ primarily as a re-employment effort. The Act, which is still in force, takes care of the property owner who wishes to repair, modernize or improve his home, whether rural or urban. Loans are made by chartered banks and other approved lending institutions and borrowers are allowed up to \$2,000 on a single house and larger amounts on multiple houses. The discount rate is $3\frac{1}{4}\%$ for a one year loan repayable in equal monthly instalments, and proportionate rates are made for other periods. In the case of a loan to repair or improve a single house, loans may be made for any period up to three years; while in the case of multiple houses, the maximum term of loan is five years. The Dominion guarantees each approved lending institution against loss on Home Improvement loans up to a maximum amount of 15% of the aggregate amount of such loans made by each such lending institution. Up to April 30, 1939, 66,927 loans had been advanced, amounting to \$26,720,224.35. These⁽³⁹⁾ loans were distributed among the provinces as follows:

<u>Province</u>	<u>No. of Loans</u>	<u>Amount</u>
Prince Edward Island	647	\$ 166,629.76
Nova Scotia	5,159	1,560,163.14
New Brunswick	2,566	855,670.45
Quebec	10,186	5,183,504.34
Ontario	30,986	12,611,920.59
Manitoba	4,025	1,540,856.30
Saskatchewan	1,345	460,231.15
Alberta	5,018	2,153,616.50
British Columbia	6,995	2,187,632.12
	66,927	\$26,720,224.35

(37) June-September, 1937, p. 36-37.

(38) The Home Improvement Guarantee Act, 1937, c.11, was not actually passed until the 1937 session.

(39) Press Release, Department of Finance, Ottawa.

Complete figures for the first three months of 1939 show increases of 7%, 11% and 22% respectively in volume of loans over the corresponding months in 1938.

Home Improvement Loans made for improvement to farm-houses as at March 31, 1939, were distributed among the provinces as follows:

Prince Edward Island	356	\$ 69,475.59
Nova Scotia	870	192,777.77
New Brunswick	558	135,626.17
Quebec	1,087	366,070.91
Ontario	4,262	1,936,018.36
Manitoba	524	177,416.56
Saskatchewan	197	68,022.15
Alberta	1,143	412,537.03
British Columbia	<u>409</u>	<u>141,601.14</u>
Total	9,406	\$3,499,545.68

(40)

The National Housing Act, 1938, was a much more comprehensive piece of housing legislation than either of the preceding acts and was specifically designed to meet the needs of low income groups for housing accommodation within their capacity to pay. The Act is divided into three parts. Part 1 repeals the Dominion Housing Act of 1935 but re-enacts and extends certain of its provisions. It gives assistance to the individual person building a low-cost house for his own occupation. Provision is made for loans not exceeding 90% (nor less than 50%) of the "lending value" ⁽⁴¹⁾ of houses when such value is not more than \$2,500, and not exceeding 80% (nor less than 70%) in other cases; the Dominion's share of the joint ⁽⁴²⁾ advance to be not more than 25%. In certain cases the

(40) For the latest statistics on the National Housing Act, see Appendix 3.

(41) "Lending value" means the estimated cost of construction of a house or its appraised value whichever is the lesser.

(42) "...in such small or remote communities and in such districts of other communities as may be designated by the Minister".

government will be responsible for losses sustained by the lending institution to the extent of 20% on loans for 80% of the lending value, and 25% on loans for 90% of the lending value. The aggregate amount of loans to be made and losses and expenses to be paid under this part of the Act is limited to \$20,000,000, (43) less the amount of advances made under the Act of 1935.

Under the second part of the Act, the Minister of Finance is authorized to make loans to local housing authorities to assist in the construction of houses to be leased to families of low income, the aggregate amount of such loans being limited to \$30,000,000. Local housing authorities may be of two kinds, limited dividend housing corporations formed by a group of private citizens, and municipalities or any agency acting on their behalf. Loans to limited-dividend housing corporations may not exceed 80% of the cost of construction of houses, and loans to any other housing authority 90%, such loans to average not more than \$2,400 for each dwelling built by limited-dividend housing corporations and \$2,700 for others. The corporations are to receive loans at the rate of $1\frac{3}{4}\%$, and other authorities at the rate of 2%.

The municipality must agree to limit taxes of all kinds on the property to 1% of the cost of the project during the term of the loan, and to levy no taxes on income. In the case of a limited dividend corporation that has not earned enough to pay the full amount of the interest and amortization charges on the Dominion loan, the municipality must forego such further taxes as will enable the corporation to pay the full charges. Where the local housing authority is a municipality or an agency of one, the government of the province must agree to pay annually any part of the semi-annual payments for interest and amortization which the authority does not itself pay. In some cases, the province will have to pass legislation to give municipalities

(43) Approximately \$5,500,000 at July 1, 1938.

the power to grant partial tax exemption to low rental housing projects and to do certain other things required by the Dominion legislation. It can be seen, then, that the success of this scheme depends upon the effective co-operation of all three levels of government.

The Act establishes the principle of selected tenancy and of an economic ratio between income and rent. This is an innovation for Canadian housing legislation and one designed to ensure accommodation for "families of low income". Such families are defined as those receiving a total family income of less than five times the economic rental of a housing unit which would provide sufficient accommodation for the family. This is on the basis of the widely held rule that working-class families should not spend more than 20% of their income for rent. Any family, therefore, that cannot find housing accommodation on the open market except at more than 20% of its income, is eligible to rent a house or an apartment on a low rental project (43a) at less than its economic rent. In order to maintain the low rental character of the project, the local authority must agree that no housing unit will be leased to any family whose total income is equal to five times the economic rental of the unit. It is stipulated that the annual rental for each unit, excluding charges for water and heating, must not be more than 20% of the estimated total income of the family to which the unit is to be leased. At the same time, a number of charges are specified which the rent must cover. The element of resiliency required to make it possible to reduce rentals to any level desired is provided by a voluntary "rent reduction fund". Where a particular local housing authority finds that the rents it must charge are still too high for the low income groups it is

(43a) "Economic rent" means a rental at the rate of $9\frac{1}{2}\%$ of the unit's cost of construction (including cost of land, architectural and legal expenses, etc.), plus an amount sufficient to pay the municipal taxes properly allocable to the specific project.

trying to cover, it may negotiate with the municipal or provincial government or both for an agreement to make voluntary contributions to a fund which will be used to reduce rentals below the levels otherwise possible.

The third part of the Act authorizes the Minister of Finance to pay the municipal taxes including school taxes levied on a house, the construction of which begins between June 1, 1938 and December 31, 1940 and which does not cost more than \$4,000, as follows: 100% of taxes for the first year in which the house is taxed; 50% for the second year; and 25% for the third year.

It should be mentioned that strong objection is taken to this legislation in some quarters on the ground that it provides unfair competition to existing vested interests in the housing field at a time when they are suffering seriously. Similar objections have been levelled against housing legislation in all countries.

Recent Provincial and Municipal Housing Action

Little action with regard to housing has been taken by provincial and municipal governments since 1930. In 1932, the Province of Nova Scotia, as a result of representations from the Better Housing League, churches, welfare bodies and boards of trade, passed legislation for the purpose of "encouraging and promoting better housing of the people". The public, by means of limited-dividend companies, were to put up the junior money and erect, own and manage the enterprises under the supervision of a provincial government commission. The government offered long-term low interest rate loans and remission of all incorporation taxes and provincial fees, while municipalities were granted powers to extend exemption or limitation of taxation for a period of twenty years to dwellings constructed under the Act. In 1934 the commission was established, and the next year the government made available \$200,000 for housing

loans. The Halifax Housing Corporation was formed in 1936 to build houses for low-rental tenancy but thus far it has done little more than institute surveys and draw up a plan of slum clearance.⁽⁴⁴⁾ Nor has much been done in other centres in Nova Scotia. In Reserve Mines a co-operative housing association has been incorporated, and a community of miners' homes is being developed; the miners, besides buying the land, are contributing their own labor while the government through loans is taking care of the materials used in the project and the municipality of Cape Breton has granted liberal tax exemptions. Although a Housing Corporation has been established in Elmsdale to build workmen's cottages the scheme has not yet been launched, while in other centres nothing but survey work has been accomplished.⁽⁴⁵⁾

In New Brunswick a Housing Commission Act was passed in 1935 which provided for the establishment, at the request of any municipality, of a housing commission composed of members appointed by the government and by the municipal council. It was entirely a rehabilitation act. Loans could be made for the repair of old houses up to the standards set by the commission, or for the erection of houses to take the place of those demolished. A Housing Commission was appointed for Saint John, which made proposals for minimum housing standards and inspected some properties. The Act is no longer operative.⁽⁴⁶⁾

In Ontario, as a means of encouraging home building, the legislature undertook to assist certain municipalities to erect houses on land confiscated under tax sales, but little has come of the experiment.⁽⁴⁷⁾

(44) Social Welfare, June-September, 1937, p.52; cf. Also Report of the Nova Scotia Housing Commission, Halifax, 1935.

(45) The Purpose and Work of the Nova Scotia Housing Commission. A memorandum prepared by S.H.Prince.

(46) Social Welfare, June-September, 1937, p.53.

(47) Coughlin, New Housing in Canada, p.45.

In Winnipeg, the city in co-operation with prominent citizens formed the City of Winnipeg Housing Company, Limited, one of the objects being to provide employment, but nothing has been done pending further government aid. (48)

Practically all Canadian cities have regulations setting minimum standards of health and decency, the most significant being the 1936 by-law of the City of Toronto. (49) However, these have not usually been successfully enforced, partly because of the opposition of property owners, but even more because of the reluctance of inspectors or health officers to enforce condemnation orders when they know that evicted tenants cannot find other accommodation. "I have not the soul or the conscience" said the Chief Sanitary Inspector of Winnipeg, in defending this attitude of the inspectors, "to throw those people out, because there is no place for them to go." (50) The successful enforcement of health and sanitary regulations depends upon the existence of satisfactory alternative accommodation for the evicted tenants.

In some of the provinces, progress has been made in the institution of schemes of town-planning and zoning, but even here the efforts are halting and piece-meal in character. (51) In British Columbia a Town Planning Act was passed in 1925 which showed the influence of practice in the United States, particularly with regard to zoning. Many municipalities passed zoning by-laws under the Act, but owing to the depression full advantage could not be taken of all the powers under it. The Alberta Town Planning Act, as redrafted in 1929, incorporated the principle

(48) The Legionary, March, 1938, p.38.

(49) On February 10, 1936, a by-law was passed by the City Council of Toronto, for the purpose of ameliorating housing conditions, pending the undertaking of a comprehensive scheme of slum clearance. Detailed standards of housing were laid down and provision made for their enforcement. A reasonable period of time was allowed in which landlords could make necessary repairs and, in cases where they were financially unable to do so, the City was authorized to make loans up to \$50.00 for each room in the building and an additional amount for necessary plumbing and heating.

(50) Report of the Housing Committee of the House of Commons, p.179.

(51) cf. H.L. Seymour, "Planning and Housing Legislation", The Ottawa Planning and Housing Conference, 1937.

of a provincial board which would not only encourage communities to plan but which had some jurisdiction in highway and park planning. There have been over twenty town-planning commissions appointed in various cities, towns and municipal districts, and a still greater number of zoning by-laws have been passed. Although the town-planning staff which had been built up in the Province was disbanded, the provincial board is still active. In New Brunswick a Town Planning Act which conferred broad planning powers upon any local authority in the preparation of an official town plan and a zoning by-law was passed in 1936. (52) While the duties of Town Planning Commissions set up under the Act are largely advisory, their appointment is encouraged by giving municipalities more control over new developments where a commission exists. The Provincial Planning Board, which was set up on June 30, 1938, is to promote town-planning in the centres of population, make regulations for the preservation of scenic beauty along the highways, suggest a general planning programme for the physical development of the Province and for providing park areas, etc., study housing conditions and make recommendations for a housing programme for the Province and the municipalities. Town Planning Commissions have been set up under the Act in Fredericton and Saint John, and in the latter city a zoning by-law has been passed.

The other provincial legislatures have passed less comprehensive planning legislation. In Prince Edward Island the Planning and Development Act of 1918 provided for the setting up of a provincial board to prepare a plan showing lines of main thoroughfares in the Island, but, although the Act is adequate for its purpose, little has been accomplished. In Nova Scotia,

(52) cf. Social Welfare, June-September, 1937, p.54.

the Housing Commission Act of 1932 encouraged the creation of local boards under the Town Planning Act of 1912. Quebec has no Town Planning Act of any kind. In Ontario, seven different acts contain town planning provisions but these are principally confined to the Planning and Development Act and the Municipal Act. The former deals with subdivisions and general lay-out, and if a Town Planning Commission is appointed the powers under the Act are vested in that body. The latter has several sections dealing with zoning powers, most of which are of the local option variety. In Manitoba, the Town Planning Act of 1916 has had no amendments except that plans of new subdivisions have to be approved by the municipal board rather than by the Comptroller of Town Planning. Twenty-five municipalities have adopted town planning schemes but these are mostly zoning regulations. Most of the Municipalities adjoining the City of Winnipeg have fairly complete zoning schemes, and some of the towns where the scheme is in force take an active interest in enforcing its provisions. In Saskatchewan, a Town Planning Act was passed in 1928, and there are several municipalities under reasonable planning control. Both the cities of Regina and Saskatoon are well-planned areas.

3. The Present Situation in Housing Accommodation

The acuteness of the housing situation has caused a number of investigations in various parts of Canada during the last few years. In 1932, the Citizen's Committee on Housing in Halifax compiled a report based upon its own findings and upon those of Mr. A.G. Dalzell and the Halifax Board of Health. Two years later, the Health Department of Winnipeg carried out a careful housing survey of certain selected districts of the city. This was followed the next year, by investigations into the housing conditions of Toronto, Montreal and Ottawa, the first conducted by the Lieutenant-Governor's Committee on Housing, the second by a joint committee of the Montreal Board of Trade and the City Improvement League, and the third by the Ottawa Committee of the National Construction Council of Canada

in conjunction with the Welfare Board and the Town Planning Commission. In this year, the House of Commons set up a select committee on housing which made an extensive investigation of the problem, concerning itself particularly with its relationship to schemes of re-employment. A small survey of housing in Hamilton was made in 1936 and the next year a housing survey in Montreal was undertaken by the Department of Planning and Research of the Montreal Metropolitan Commission. Other surveys have been conducted in various cities by municipal health departments, social service agencies, citizens' committees and real estate boards, the most interesting of which was the Investigation into Certain Social Conditions in Winnipeg, organized by Alderman Margaret McWilliams. The reports of these various organizations and those of the Dominion Bureau of Statistics present a fairly comprehensive picture of housing conditions in Canada at the present time.

The contemporary housing situation shows a whole chain of cause and effect leading to bad social conditions. There is an absolute shortage of houses in Canada. This shortage presses hardest on the low-income groups and leads to overcrowding. Overcrowding means that large numbers of people live under insanitary and undesirable conditions, a condition tending to the physical and moral deterioration of whole districts, that is, to slums. Even where the word slums is still not applicable, bad housing inevitably results in most undesirable social conditions.

The various surveys mentioned give impressive documentation to each link in this chain of cause and effect. The salient facts are summarized in Appendix I.

4. The Indirect Costs of the Housing Situation - Social Aspects

Bad housing conditions, particularly where a whole area is affected, become a serious social problem with indirect costs that must be paid by the taxpayer. The social results are seen in the health, morality, employability and general attitude

of the occupants of these houses. The physical conditions of the dwellings, overcrowding, lack of fresh air and sunlight, inadequate water and sanitary conveniences, improper facilities for food storage, dampness, vermin and filth, result in a high rate of tuberculosis, infant mortality and illness from infectious diseases. In combination with a bad residential environment, such conditions conduce to juvenile delinquency, vice, crime, and the demoralization of family life. In an analysis of social conditions of a slum area in Cleveland, carried out by the Metropolitan Housing Authority, it was found that while this area contained only 2.5% of the city's population, it contributed 21.3% of its murders, 26.3% of its houses of prostitution, 6.8% of its delinquent boys, 10.4% of its illegitimate births, and 12.5% of its tuberculosis deaths. ⁽⁵³⁾ The evidence from surveys of Canadian cities suggests that there is a somewhat corresponding situation here.

It cannot be assumed that the differential rates in tuberculosis, infant mortality, juvenile delinquency, crime and demoralized families between areas of good and bad housing can be explained entirely in terms of housing conditions. Poverty, of course, is the basic cause of the lower standards in all these fields, but they interact on each other and greatly aggravate the whole problem. Particular areas of the city which have bad housing attract, among others, occupants whose economic or social status has been lowered as a result of tuberculosis, crime or demoralized family life, and this fact must be taken into account in considering the high rates of these indices of social disorganization in such areas. A high rate of infant mortality would be expected among those people whose health has been impaired by tuberculosis or other disease, which explains to some extent the difference in these rates between bad and good housing areas. Likewise, the high rates of juvenile delinquency in those areas which attract broken families or socially-disorganized peoples may be explained in terms of parental background as well as of

(53) An analysis of a slum area in Cleveland by the Cleveland Metropolitan Housing Authority, p. 6.

the residential environment. Thus it is impossible to estimate precisely the effect of bad housing with respect to social disorganization, but all authorities are agreed that, while it is not a sole cause, it is a most important contributing factor. To the extent that this is the case, the problem of the social rehabilitation of marginal or socially disorganized people involves the rehabilitation of the dwellings and areas in which such people live.

In Toronto, the number of cases of tuberculosis in June, 1934, known to the Department of Public Health, for the seven ward divisions of poor housing was 37 per 10,000 in contrast to an incidence of 25 per 10,000 for the four districts of good housing. The highest rate, 64 per 10,000 was reached in Ward 4 subdivision 3, which had the greatest population density of any subdivision in the city. (54) In Montreal, the thirteen wards - Hochelaga, St. Marie, Papineau, Bourget, Lafontaine, St. Louis, Cremagie, St. James, Ville Marie, St. Lawrence, St. Joseph, St. Cuneconde, and St. Henry - which roughly contain the bad housing of the city had an average death rate from tuberculosis over the period 1930-1935 of 12.8 per 10,000, while the City of Westmount had a rate of 4, Notre Dame de Grace of 4.5 and Mount Royal of 4.2. The highest rate, 21 per 10,000 was found in the congested ward of St. James. (55) In Winnipeg, two downtown districts of bad housing had a death rate per 10,000 from pulmonary tuberculosis for the period 1930-1934 of 4.6 and 7.9 respectively, compared to a rate of 2.9 for the rest of the city. (56)

The infant mortality rate for Toronto as a whole, in 1933, was 63.4 per 1,000 living births, while for the seven areas of bad housing it was 72.6 and for the four areas of good housing

(54) Toronto Housing Report, 1934, p.41.

(55) Montreal Housing Report, 1935, p.19.

(56) An investigation into Certain Social Conditions in Winnipeg by Alderman Margaret McWilliams.

58.3. In Ward 2 subdivision 2 (Moss Park), the rate was 121.2, almost double the rate for all Toronto; and in Ward 3 subdivision 6 (The Ward) it was 83.3.⁽⁵⁷⁾ Infant mortality rates in Montreal were not available by wards, but the Committee on Housing of 1935 estimated that since the rate in Montreal as a whole was 97.6 and in Verdun 52.8, and as half the area of Montreal would have about the same rate as Verdun, the other half would have a rate of about 142.4; in some wards it would be still higher.⁽⁵⁸⁾ In Winnipeg, the infant mortality rate in the two central districts was 58.5 and 52 respectively, while for the rest of the city it was 42.5.⁽⁵⁹⁾

In Toronto, in 1933, the rate per 10,000 of population of juvenile court cases for the good housing district of Yorkville was 7.9, while for the poor housing districts of Parkdale, McCaul Street and Moss Park, it was 27.6, 24.9 and 36.6 respectively. The latter three districts provided 43% of the juvenile court cases in the city for 1933 and over 52% of the repeaters. "Even in the district chosen to represent good housing," the Committee on Housing pointed out, "the majority of the court cases recorded were actually resident in the small 'bad spots' of that district, where some of the worst housing in the city occurs."⁽⁶⁰⁾ In Montreal, the juvenile delinquency rate per 10,000 of population in 1933 for the thirteen wards of bad housing was 15.5 while for the city of Westmount it was 1.17, for Notre Dame de Grace 1.7 and for Mount Royal .84.⁽⁶¹⁾ The two central areas of Winnipeg contributed, per 1,000 pupils registered, an average for the years 1932-1934 respectively of 16.9 and 23.7 of the juvenile court cases from Winnipeg public schools, while the rest of the city contributed an average of 11.5.⁽⁶²⁾

(57) Toronto Housing Report, 1934, p.43.

(58) Montreal Housing Report, 1935, p.19.

(59) Investigation into Certain Social Conditions in Winnipeg.

(60) Toronto Housing Report, 1934, p.45-47.

(61) Montreal Housing Report, 1935, p.19.

(62) Investigation into Certain Social Conditions in Winnipeg.

With respect to crime, the police records revealed that in one district in Toronto, in which 315 of the 547 houses were below a minimum standard of health and decency, 100 of the houses had been "convicted" in the year 1933 as betting, gambling or bawdy houses, or for violation of liquor laws; some of these houses had been convicted as many as ten times although in practically every case the tenant had moved, after conviction, to some new location. The police summarized their conclusions, in the report to the Housing Committee, thus: "The environment created (by bad housing conditions) through its encouragement of drinking, gambling, sexual laxity and petty crimes, makes a breeding ground for crime and is the cause of a great deal of juvenile delinquency and subsequent participation in major crimes."⁽⁶³⁾ In Winnipeg, in the two central areas, there were respectively 21.1 and 52.2 police arrests per 1,000 of population in 1934 (apprehension of the same person more than once counted as one arrest), while for the rest of the city there were only 11.5.⁽⁶⁴⁾

Demoralization of family life was found as another result of bad housing conditions. In Toronto, one of the larger social agencies reported to the Committee on Housing that, of the families in its care with children who were potential wards of the Children's Aid Society, nearly 20% lived in an area less than one mile square where bad housing was the rule rather than the exception. In a conference with the Committee, police officials stated that "houses of ill-fame" were more numerous in areas of dilapidated and out-worn housing, and a prominent social worker, testified that illegitimacy and social diseases were more than generally prevalent in such areas.⁽⁶⁵⁾ In Winnipeg, the two bad housing districts contributed, per 1,000 of the population under seventeen, 36.1 and 67.7 respectively of the cases dealt with by the Children's Aid Society and the Children's Bureau for the year ending August 31, 1934, while the rest of the city

(63) Toronto Housing Report, 1934, p.48-49.

(64) Investigation into Certain Social Conditions in Winnipeg.

(65) Toronto Housing Report, 1934, p.49-50.

contributed 14.8. Of the active cases of the Social Welfare Commission in April, 1935, 16.1 and 19.3 respectively, per 1,000 of population, came from the two central districts, and only 6.7 from the rest of the city. Of the cases reported at the venereal disease clinic of the provincial Department of Health, 5.0 and 16.5 per 1,000 population came respectively from the two central districts, while only 1.8 came from the rest of the city. (66)

This summary of the findings of housing surveys throughout Canada shows that the presence of bad housing areas in urban centres implies a direct charge upon municipal and governmental treasuries. The investigation conducted in Winnipeg revealed that the services of the municipal hospital, social welfare commission, the police department, the Children's Aid The Winnipeg General Hospital and the St. Boniface Outdoor Clinic, cost the city for the two central districts of poor housing \$25,000 more than for the rest of the city, although these areas contained only 23.7% of the total population. (67) Although the figures are not available for the other Canadian cities the evidence points to similar conclusions. "Evidence presented before us and before similar committees elsewhere," reported the Housing Committee in Toronto, "amply proves that death rates, especially from tuberculosis and infant mortality, are extraordinarily high, that communicable diseases of all sorts flourish, that crime and delinquency spread, and that family life and self respect deteriorate in slums. Such conditions involve costs which the community has to bear in increased expenditures upon hospitals, jails and public health services." (68) The Housing Committee in Montreal reported in 1935:

(66) An Investigation into Certain Social Conditions in Winnipeg.
(67) Ibid.

(68) Toronto Housing Report, 1934, p.34.

"The costs to the community of bad housing and the slum are tangible and measurable. The effects on ill health, discouragement, neurosis, and stunted mental and physical growth, cannot be aggregated in any statistical sense. But beyond this, the slum is a direct financial burden upon the city. On the one hand, expenditures on public health and hospitals, social agencies, police services, reformatories, gaols, fire prevention, and mental institutions are greatest for the population of bad housing areas; on the other, the share of tax revenues which such areas contribute to the city is disproportionately small. It costs governments and society generally, more to maintain slum areas than any other parts of the city Even if assisted housing involves expenditures disproportionate to the possible revenues, the question must be asked whether this is not preferable to the present operating loss with the condition of bad housing areas continuing unchanged, or, more correctly, growing worse."⁽⁶⁹⁾

The Report on Relief Housing Conditions in the City of Ottawa, 1935, reads:

"'Unfit' Housing is extremely costly in an economic sense and directly or indirectly has a bearing upon the per capita expense to the city for dealing with felonies, misdemeanors and juvenile delinquency, maintaining hospitals and sanatoria, caring for venereal diseases, health clinics and nursing services, children's aid and nursery services, distributing public relief, caring for insanity, and maintaining

(69) Montreal Housing Report, 1935, p.22.

family welfare generally. In other words increased costs for such services traceable to inadequate and 'unfit' housing constitute a subsidy to 'unfit' dwellings, and its equivalent, if applied to better housing would prove practical and economic. (70)

The indirect costs to the community of deteriorated housing areas must be considered in assessing the returns to be secured from a programme of re-housing and slum rehabilitation. Losses incurred through the provision of low-rental houses may be offset by gains to the public treasury through reduced expenditures upon public health, social services, and crime and fire protection. Thus the economics of housing (as distinguished from house building) involve considerations wider than a balance-sheet analysis of investment and return upon the construction of dwellings. These considerations provide further justification for state aid in housing and slum rehabilitation.

5. Summary.

The problem of housing in Canada has had certain distinctive features not observable in Britain and European countries because Canada has been a new and rapidly developing country. But an analysis at the present time shows in Canada the same basic problems that have faced every country, namely: first, the inability of the low wage-earners to pay sufficient rental to make it possible for private enterprise to supply them with satisfactory accommodation; second, resulting social

(70) The Report on Relief Housing Conditions in the City of Ottawa, 1935. p.6.

conditions which make the situation one of governmental concern.

The statistics of the income of various categories of wage-earners already given⁽⁷¹⁾ show that Canadian workers are no more able to buy suitable housing accommodation than the workers of other countries. This fact becomes clearer when income is translated into ability to pay rent. The Housing Committee in Montreal, in 1935, made the following estimate of⁽⁷²⁾ the capacity of the various economic groups to pay rent:

(71) See Public Assistance and Social Insurance by A. E. Grauer.

(72) Montreal Housing Report, 1935, p. 13. The Housing Committee in Toronto came to similar conclusions. "The general impression received (from our own investigators and regular social workers)", it reported, "is that, under present conditions, there are relatively few of the family groups under consideration whose incomes are sufficient to pay rentals of more than \$10 or \$12 a month. Even in the so-called 'good' times prior to 1930 it is doubtful whether the families of this economic grade could have paid much more than this, such is the irregularity of their employment and the uncertainty of their wage rates" (Toronto Housing Report, 1934, p. 56). Other authorities including the Special Committee of the House of Commons, have accepted approximately the same sum as the maximum which the low wage-earner can afford to pay.

	Average Income	Proportion Available for Rent	Rent per month
White collar workers, etc.....	\$1,250	1/3	\$ 34.70
Artisans, skilled wage-earners...	940	1/4	19.60
Semi-skilled intermediate.....	750	1/5	12.50
Unskilled, low-wage groups.....	550	1/5	9.20

Even when the average annual income figures for 1929 are taken, it is still clear that most unskilled and semi-skilled workers cannot obtain adequate housing under present conditions. As housing is a necessity and as poor housing means costly social conditions, the provision of adequate housing for those who cannot buy it in the open market has generally come to be regarded as one of the regular social services of the state. (73) This is the policy that England and European countries have followed for some time and that the United States seems to have adopted in its latest housing legislation.

The question arises whether more could not be done to provide cheap housing commercially without governmental aid. The organization of the building industry is generally considered to be poor as compared with other mass production industries but governments can do little about this. (74) Governments can, however, do something about the two chief items in the carrying charges of houses built privately, namely, interest rates and taxes on property. Taxes on real estate are alleged to be higher in Canada than in any other country, and it is often suggested that if land taxation were lowered, the housing problem would be solved. That is an over-statement though house-building would undoubtedly be stimulated by a fall in real estate taxes. Middle class families and wage-earners in upper brackets

(73) See, for instance, the International Survey of Social Services (1936) of the International Labour Office, where Housing is treated as one of the regular social services.

(74) Unless, as in Sweden, governments themselves worked out plans for the pre-fabrication of basic materials and the purchase of materials at wholesale rates. See Chapter 2.

would be induced to build houses by a lowering of their carrying charges but the lower brackets of wage-earners cannot hope to build or rent adequate houses on the terms that private industry could produce them even if taxes on real estate were lower. The problem is a complicated one. "Good times" still leave a considerable section of wage-earners with very low incomes. (75) On the other hand, the better paid workers who then build or buy their own houses do so when building costs and rates of interest are high. When the inevitable recession comes they are left with high fixed charges which would be hard to carry in any case, and if they become unemployed, their situation is of course hopeless.

The difficulties of home ownership under these conditions are shown by the fact that from 1926 to 1936 in the United States approximately 1,600,000 mortgages on non-farm residential buildings were foreclosed. (76) In the same time 1,000,000 homes were saved by the Home Owners' Loan Corporation, making in eleven years a total of 2,600,000 mortgages on homes that either were foreclosed or would have been foreclosed had it not been for governmental action. It would appear that the National Housing Act is on sound ground in promoting subsidized low-rental housing (Part II) rather than restricting itself to the encouragement of home ownership.

The various difficulties of housing for wage-earners have been recognized by some large business firms which have built model factory towns for their employees. Such experiments however, have so far been too few to affect the general problem of housing.

Both analysis and the experience of countries with a long history of housing go to show that the lowest income groups in any country cannot obtain adequate housing without governmental aid. The higher income groups of the wage-earning class

(75) See the wage-statistics of the Dominion Bureau of Statistics for 1929.

(76) An estimate made by Dr. Edith Elmer Wood for the National Housing Committee, and quoted by Stuart Chase in the Survey Graphic, May, 1938.

can obtain reasonable housing if building costs are not excessive and carrying charges like taxes on real estate and interest on mortgages are not too high. Whether or not they can retain such housing depends on the violence of the swings of the business cycle. The policy of most European countries has been continuous aid to the lowest income groups, that is, an attack on overcrowding and slum conditions. Higher income groups among the workers are given governmental aid only at times of acute housing shortage, depressed economic conditions, or high building costs.⁽⁷⁷⁾

In Canada, until the Dominion legislation of 1938, governments tended to approach the problem of housing as an adjunct to the problem of unemployment rather than on its own merits. Consequently, legislation overlooked those aspects of the situation which, from the housing point of view, most needed attention, namely, the provision of low rental accommodation and the eradication of slum conditions. Housing policy and unemployment policy can of course be profitably correlated; but the need of the moment is a realization of the housing problem as such, and of its implications for governmental policy.

At the present time, the Dominion is the only level of government that shows a real appreciation of the housing problem as a whole. Although constitutional responsibility for housing rests with the provinces, the Dominion enacted legislation in this field during the present depression first to stimulate employment and subsequently on broader grounds. The various actions of the Dominion, taken as a whole, provide a reasonably comprehensive attack upon the housing problem. In summary form they are as follows.

(1) The home improvement legislation which makes provision for the repair, improvement and modernization of existing rural and urban homes in any part of the country.

(77) Table I, p.9, giving the number of houses built in England and Wales from 1919 to 1936, with and without governmental assistance, shows that government aid was most pronounced during the depressed twenties when private building was able to do little to meet the acute housing shortage. In the thirties, with the price of building materials lower and more prosperous general conditions prevailing, private building picked up and the government restricted its activities to overcrowding and slum clearance.

(2) Part I of the National Housing Act which provides cheap, long-term funds to borrowers in any part of the country who wish to build new houses for themselves.

(3) Part II of the National Housing Act which provides for subsidized low-rental housing either through municipalities or limited dividend housing corporations on a generous basis.

(4) Part III of the National Housing Act which is designed to stimulate the immediate construction of low-cost houses for owner-occupation by providing for bonuses for taxes over a three year period.

(5) The exemption of all the major materials entering into residential construction from the eight per cent sales tax. This exemption is estimated to make possible a reduction of from $3\frac{1}{2}\%$ to 4% in the cost of building a house.

(6) Efforts to improve community planning and regulation of housing by the preparation of a model municipal code and the encouragement of zoning regulations and town planning etc.

It is Part II of the Act that provides the real hope for low income groups and for slum clearance.

In view of its constitutional limitations in the field of housing, the Dominion has had to base its policy on the cooperation of the municipal and provincial governments. But it has done two essential things: it has provided leadership and financial assistance. It has put the responsibility for initiating housing programs squarely on the shoulders of municipal authorities and community leaders. If a municipality faces a slum problem, that problem may be attacked by a group of business and community leaders who form a limited dividend housing corporation or directly by the municipality itself. In the carrying out of these plans the cooperation of the province is required in some particulars. If the scheme is to be a success, the provincial governments must be prepared immediately to grant to the municipalities such powers and guarantees as will enable them to take advantage of the Dominion legislation. It remains to be seen, then, whether divided authority will be any more successful in achieving results in the field of low-rental housing than it has in other fields.

The housing problem in Canada is one aspect of a world-wide problem that has confronted or is confronting every industrial country. There is no reason to believe that Canadian governments can escape following other governments in taking permanent action to provide low-cost housing and to plan the general development of housing. The only question here is, which government or combination of governments is best equipped to undertake the responsibility.

The experience of other countries has emphasized certain points:

First, the municipal governments cannot handle the situation and the leadership and financial participation of the senior government or governments is necessary if real advance is to be made against overcrowding and slums, that is, if adequate housing is to be provided for the wage-earners with low annual incomes. Direct subsidy in some form or another is necessary to achieve these objectives. The experience of other countries would show that it is by leadership and financial aid that the central government can make its greatest contribution to the solution of the housing problem.

Second, municipal governments can co-operate by acquiring land for housing projects, granting tax exemptions, ^(77a) undertaking municipal schemes (if thought desirable) in co-operation with other governments, and laying down intelligent regulations for building and town-planning.

Third, the co-operation of all governments is necessary for national, regional and town-planning so that a chaotic development may be forestalled and the efforts of one jurisdiction not nullified by the failure of another to act.

(77a) The granting of tax exemption is by no means a loss for the municipalities. George S. Mooney, Tax Exemption in Low-Rent Housing Projects (Montreal, 1938), analyzes this question in some detail and concludes that even though local governments grant full tax exemption to low rental housing projects, they will earn a net profit because their reduction of expenditures in other directions will be so great.

Outside of national parks, most of the stimulus for regional and town-planning must come from the provincial governments. Efficient provincial planning boards are essential to direct and co-ordinate municipal activity and to act as fact-finding bodies. The federal government can do important work in demonstrating the value of projects, as the Resettlement Administration is doing in the United States, and in attacking the special problems of backward areas in which housing is just one part of a larger problem that may be beyond the financial powers of the province and municipality to handle. If a program of planned public works to combat depressions becomes a part of federal policy, housing projects can be admirably fitted into such a program.

To conclude, if Canada follows other countries in regarding the provision of low rental housing as a continuing social service, Canadian governments must look forward to regular expenditures on this service in the future. Certain long-run savings should accrue to governments from such expenditures, especially to municipal and provincial governments, but it is impossible to make any calculation as to the amount. These facts must be taken into account in considering the allocation of governmental functions and revenues in Canada.

Appendix 1: Evidence regarding Shortage of Houses,
Overcrowding, Insanitary and Undesirable
Living Conditions and Slums revealed by
recent Housing Surveys in Canada.

Shortage of Houses

The Bureau of Statistics estimated for the Housing Committee of the House of Commons that the residential accommodation provided in the three years, 1932-34, was not much more than one-third of that required for the proper housing of the increasing population of the Dominion. The total residential construction for this period provided homes for some 27,500 households, while the equivalent of some 82,000⁽⁷⁸⁾ households were added to the population of Canada. The evidence from particular cities bears out this general conclusion. In 1934 the Lieutenant-Governor's Committee on Housing conditions in Toronto reported that the city had 136,000 dwellings available for its 150,000 households, an apparent shortage of 14,000 dwelling units. But a potential shortage of 25,000 seemed likely if account were taken of deferred marriages, the return of many people to the city as economic conditions improved, and the existence of many⁽⁷⁹⁾ unsatisfactory and insanitary dwellings which should be demolished. A similar situation was found in Montreal. In 1938, a report, based on a housing survey undertaken by the Department of Planning and Research of the Montreal Metropolitan Commission, had this to say: "Montreal is face to face with an acute housing shortage. A vast back-log of housing remains to be undertaken. The growth of the city's population proceeds without interruption. Delayed marriages are increasing the marriage rate. Families previously doubled up are seeking separate shelter accommodation. Unemployed, restored to gainful employment, have returned to the competitive rental field."

(78) Report of the Special Committee on Housing of the House of Commons, 1935, p. 374.

(79) Housing Report, p. 33.

Vacancies have disappeared and the imminence of a rise in rents is in evidence. In the next five years at least 20,000 new dwellings will be required if we are to make any improvement in housing standards⁽⁸⁰⁾. In Ottawa, a report of the Medical Officer of Health in 1934 stressed the urgency of the housing shortage. In the period 1930 to 1934, the population of the city had increased by 10,759 persons, but, while there was no surplus of low rental houses in 1930, the building of this class of dwelling had been practically at a standstill during the next four years, with the result that many houses which had previously accommodated one family in a satisfactory and sanitary manner were at the time of the report occupied by two or more families for which they were not adequate⁽⁸¹⁾. In a report on housing in Winnipeg, May, 1938, the shortage of houses was estimated at 6,606 and, in Halifax, the Citizens' Committee on Housing reported in 1932 that 12,000 dwellings were required for the city's population of 60,000 whereas only 8,000 dwellings were available⁽⁸²⁾.

Overcrowding

The pressure of this shortage of housing for Canada's urban population falls upon the low-income groups, and results in overcrowding and the occupation of unsatisfactory living quarters. A study of the Bureau of Statistics reveals that 25.56% of the households of Montreal, 15.48% of those of Toronto, and 25.09% of those of Winnipeg have accommodation of less than one room per person⁽⁸³⁾. Special surveys carried out in some of the cities substantiate the conclusion that a general housing shortage results in the extreme overcrowding of a particular section of the urban population.

(80) Report, Section 2, p.2-3 cf. Also the Report on Housing and Slum Clearance in Montreal of the Joint Committee of the Montreal Board of Trade and City Improvement League, 1935, p.11.

(81) Report on Relief Housing Accommodation in the City of Ottawa, November 1935, p.6.

(82) Report of the Joint Special Committee on Housing Conditions and Special Committee on Unemployment Relief Works, Winnipeg, May 16, 1938; Halifax Housing Report, p.11

(83) The Housing Accommodation of the Canadian People, Bureau of Statistics, Ottawa, 1935, p.23.

In Montreal an average of 1.02 persons per room and 4.5 persons per dwelling were found in 4,216 residences surveyed in (84) 1937.

In Toronto an intensive survey of 1,332 dwellings and 1,421 households revealed that 6.6% of the dwellings contained one or two extra families, 57% averaged more than one person per room, and 16% averaged two or more persons per room; 43 households of three or more persons lived in one room, and 175 in one or two (85) rooms. In an intensive survey of all the dwellings in Moss Park and the Ward, it was found that 12.27% of the dwellings of Moss Park and 3.04% of those of the Ward contained one or two (86) extra families.

The 1890 houses in four down-town districts of Winnipeg accommodated 3,972 families, an average of 2.1 families or of 8.24 occupants per house. In all 53% of the houses were occupied by more than one family, and in these an average of 1.2 persons occupied each room. One hundred and thirty-four rooms in the area were badly overcrowded; 171 families lived in attics (87) and 17 families in cellars.

Of 727 households in Hamilton, covered in a survey by the Council of Social Agencies in 1932, 53% averaged more than one person per room, 31% more than two persons per bedroom, 18% more than three persons per bedroom, and 8% more than four persons per bedroom. In 17 cases families of three or more persons lived in one room, 1.4% of the households lived in basements, and 18% of the (88) households had children of both sexes in the same bedroom.

(84) Montreal Housing Report, 1938, p. 7.

(85) Toronto Housing Report, 1934, p. 18.

(86) Ibid, p. 24.

(87) Report on a Housing Survey of Certain Selected Districts. Health Department, City of Winnipeg, 1934, p. 17-21.

(88) Brief of the National Construction Council of Canada presented to the Select Committee on Housing of the House of Commons, Report, 1935, p. 103.

A survey of much the same area in 1936 revealed that 20% of the households in houses and 33% of those in apartments contained more than one person per room, 10% of the households in houses and 24% of those in apartments contained insufficient sleeping accommodation, and 13% of the houses and 6% of the apartments (89) had cellars or attic rooms inhabited.

In Halifax the houses surveyed by the Department of Health in 1932 contained an average of 1.9 families to one house and 1.4 individuals to one room, while 291 rooms which were specially surveyed contained an average of three individuals (90) per room.

In a survey of 91 families or households in Calgary in 1929, by the Health Department, 12 cases were found in which families (man, wife and one or more children) lived in one room, (91) and 18 cases in which families lived in two rooms.

In Ottawa, the 3,529 dwellings occupied by recipients of civic relief contained an average of 1.59 families per dwelling and 1.26 persons per room; 13.66% of the sleeping rooms were overcrowded while 3.95% of the total families lived in attics (92) and 1.5% in cellars or basements.

Insanitary and Undesirable Living Conditions

Overcrowding, of itself, would be bad enough, but the investigation of the surveys shows conclusively that overcrowding and insanitary and poorly equipped houses go hand in hand.

Of the 1,332 dwellings in Toronto covered by the extensive survey in 1934, 43% were without cellars, 28% in bad state of repair, 82% with no method of heating except stoves, 58% damp of which 20% were subject to flood, 9% without electricity, 40% with smells inside and out, 55% verminous, 59% without baths, 20% with

(89) Summary of a Housing Survey in Hamilton, 1936, by Leo A. Haak.

(90) Housing in Halifax, a Report, 1932, p.57-58.

(91) Synopsis of Conditions found in Respect to a Survey of Ninety-One Families of Households, Calgary, August, 1929.

(92) Report on Relief Housing Conditions in the City of Ottawa 1935.

outside toilets, 19% with unsatisfactory inside toilets, and 20% without facilities for the storage of food. Thirteen living or sleeping rooms were without windows. (93) Of the total dwellings in Moss Park and the Ward, 1% and 4% respectively were without an opening upon a street or lane, 45% and 65% respectively had no method of heating except stoves, 9% and 15% respectively had outside toilets only, and 27% and 44% respectively were without baths. (94)

In a survey of 4,216 dwellings in Montreal in 1937, 10.3% were found in bad physical condition, 8.8% in a bad state of uncleanliness, 6.5% with their entrance through a backyard, court or covered passageway, 3.4% with the same kitchen shared, 7% without means of storing food, 68% without a bathtub, 2.3% with bathroom shared, 3.3% with tap shared, 3.2% with water closet shared, 29% with plumbing in bad condition, 8% without natural ventilation, 9.8% subject to permanent dampness, 5% with foul odors outside, 2% with foul odors inside, and 15% infested with rats, 17% with bedbugs, and 23% with cockroaches. There were 17 "dark rooms" of which 14 were occupied, and 9% of the total rooms were indirectly lighted. In only 1,716 dwellings out of the total of 4,216 was the water closet isolated, its location being in the kitchen in 1,431 dwellings, in the living room in 112, the bedroom in 536, and in the cloakroom or hallway in 239 (182 were not reported). (95)

In the four districts of Winnipeg surveyed by the Health Department in 1934, 4.8% of the dwellings were without cellars, 29% were heated by stoves, 3-1/3% were in bad state of cleanliness, 5.1% were in a bad state of repair, and 43.9% were defective in construction or plumbing. There was an average of 1.93 families to each water closet, 1.79 to each sink, 3.10 to each bath, and 3.85 to each wash basin, while for those houses occupied by more than one family, the average was 2.61, 2.30, 4.69 and 5.77 respectively. (96)

(93) Toronto Housing Report, 1934, p. 18.

(94) Ibid, p. 24.

(95) Montreal Housing Report, 1938, p. 8-14.

(96) Winnipeg Housing Report, 1934, p. 14-25.

From its survey of housing conditions in Hamilton, in 1932, the Council of Social Agencies reported that 20% of the dwellings had outside toilets only, 20% had insanitarily placed inside toilets, 5.55% had rooms without windows (seven of which were bedrooms in which a total of 20 persons slept), and 7.2% had no sink in the kitchen. (97) Of those houses in Hamilton surveyed in 1936, 10% were inadequately lighted, 26% badly heated, 42% without a bath, 45% with defective toilets and 15% verminous, while, for the apartments, the proportions were 52%, 10%, 40%, 81% and 38% (98) respectively.

Of the 3,529 dwellings occupied by relief recipients in Ottawa, 13.7% were in a bad state of exterior repair, 64.35% inadequately heated, 9.6% inadequately lighted, 28.1% without a separate wash basin, 31.5% without a separate bath, 24.6% with no room equipped for cooking, 16.5% with improper or no storage for food, 18% infested and 10% in a bad state of cleanliness. In all, an average of 6.59 persons used one sink, 9.78 one basin, (99) 10.28 one bath, and 6.75 one water toilet.

The Board of Health of Halifax, in its survey of housing, reported that 1,465 dwellings were found unsatisfactory. In many of these, heating depended almost entirely upon stoves, the location of sanitary conveniences militated against satisfactory conditions, the number of taps and sinks were insufficient - one or two sinks in a hallway commonly serving a dwelling occupied by from three to seven families, baths were insufficient for the number of occupants in houses, and many dark or semi-dark rooms (100) were occupied.

(97) Report of Select Committee on Housing of the House of Commons, Ottawa, 1935, p. 103-104.

(98) Haak Report, 1936.

(99) Relief Housing Conditions in Ottawa.

(100) Halifax Housing Report, 1932, p. 54.

The housing reports of the regional committees of the National Construction Council of Canada fill in the picture (101) supplied by the special survey. The committee in Quebec City reported: "After investigation made in this city, it is established that 450 to 500 houses are in very poor sanitary condition and are classed as slum houses; besides there are about 1,100 to 1,200 houses that need urgent repairs". In London, Ontario, the committee reported: "There are several blocks in the City where the houses are in a most dilapidated and insanitary condition, and we would recommend demolition of all buildings". For Regina, the committee reported there were 2,000 sub-standard dwellings, 1,000 without sewer or water supply. The committee in Vancouver reported: "There is no recognized slum district or area in Vancouver as the term is generally understood, but there are hundreds of single buildings, cabin blocks and terrace blocks scattered throughout the city, which have within this last five or six years been allowed to develop, through lack of attention, into a state where the occupants are living under slum conditions and in a state menacing the health of the city at large".

Slum Conditions

The combination of overcrowding, dilapidation of dwellings, unsatisfactory sanitary conveniences, inadequate lighting and ventilation, infestation by vermin, etc., is characteristic of slum conditions. Where such conditions are found in a large number of dwellings segregated in a particular district, the social and physical environment becomes that of a slum area. The evidence presented above indicates the existence of bad housing conditions in the various cities of Canada. It stresses the need of a housing programme to provide more and better

(101) Report of Select Committee on Housing, 1935, p. 103-105.

accommodation for the low-income groups. To the extent that bad housing conditions are scattered, and have not resulted in a general state of deterioration within a particular area, the solution involves only the tortuous problem of providing satisfactory houses of sufficiently low rental to accommodate the working classes. But when these conditions are concentrated in special areas, the ramifications are more definitely social in character, and the solution calls for a broad programme of slum rehabilitation. It is important to face this problem because experience in Europe and the United States shows that it is very easy for cities to drift into slum conditions but very difficult to eradicate them.

In Toronto, Montreal and perhaps Winnipeg, housing conditions are such as to suggest the development of slum areas. The Lieutenant-Governor's Committee on Housing Conditions in Toronto reported: "If by a slum we mean a large area in which all or nearly all the houses are disreputable, decayed, and dirty, in which numerous families are herded together, overcrowded, shiftless, perhaps criminal, or semi-criminal, in which the decencies of life are neglected, and the amenities of life are non-existent; then we can say that Toronto is free from slums. For such areas, which have formed the plague spots of some of the cities of the old world, do not exist - yet - in our city. But if by slums we mean small and scattered groups of dwellings in which the conditions of slum life are in full evidence, then the evidence we have collected will show that we are justified in speaking of 'slum conditions' and even 'slum areas' in Toronto".

The Committee surveying housing conditions in Montreal, in 1935, found that the slums of the city were relatively small even when taken as a whole, but were scattered throughout a dozen wards where their presence did harm to adjoining real estate values;

(102) Toronto Housing Report, 1934, p. 13.

the slum population was estimated as 18,000, occupying 3,000
(103)
slum dwellings. The survey of Montreal housing in 1937 confirmed
the report of 1935. "In the sense in which the descriptions (of
slums)", reads the report based on this survey, "conjure up in
one's mind the idea of old rickety tumbledown houses, forlorn and
neglected, narrow and dirty alleyways, pestilence and social
decay, poverty, vice and filth, Montreal, on the whole, is
relatively free from such conditions". But if a slum was defined
as an area in which dwellings predominated that because of either
dilapidation, obsolescence, overcrowding, arrangement or design,
lack of ventilation, light or sanitary facilities, or a combination
of these factors, were detrimental to the safety, health, morals,
comfort and welfare of the inhabitants, "we are bound to affirm
that there are districts in Montreal which can aptly be described
as 'slum areas'".
(104)

In Winnipeg there was less clear-cut indication of slum
growth, but even here many of the conditions associated with slum
areas were in evidence. "This survey", reads the report on the
housing survey of 1934, "shows once more that there are far too
many families crowded together in houses that were originally
designed or constructed for one family, without any attempt being
made to provide proper accommodation for additional families.....
There is more wear and tear in evidence in such premises; the
occupants are inclined to become careless in their habits; the
plumbing fixtures are more liable to get out of order; the walls
and ceilings become soiled from the use of gas ranges and coal oil
stoves; and the whole premises often present an aspect that points
to a neglect of the elementary principles of sanitation".
(105)

(103) Montreal Housing Report, 1935, p. 5 and 21.

(104) Montreal Housing Report, 1938, p. 21.

(105) Winnipeg Housing Report, 1934, p. 25.

TABLE 4: Rents expressed as a Percentage of Family Earnings, 1931. (a)

City	\$0-399	\$400-799	\$800-1199	\$1200-1599	\$1600-1999	\$2000-2399	\$2400-2799	\$2800-3199	\$3200-4999	\$5000-.
Halifax	94	36	24	24	21	20	18	16	19	16
Montreal	100	37	27	22	19	19	17	16	14	14
Toronto	189	51	36	29	24	22	23	21	19	17
Hamilton	136	42	29	24	22	19	18	17	14	10
Winnipeg	119	48	30	26	26	22	26	19	18	14
Vancouver	189	49	32	24	23	21	19	18	13	12

(a) Urban Earnings and Housing Accommodation in Canada. Bureau of Statistics, Ottawa, p. 33.

TABLE 5: Average Number of Rooms per Person for Tenant Families at Progressive Earning Levels, 1931. (a)

City	\$0-399	\$400-799	\$800-1199	\$1200-1599	\$1600-1999	\$2000-2399	\$2400-2799
Halifax	.8	.9	.9	1.0	1.0	1.2	1.2
Montreal	.9	1.1	1.1	1.2	1.3	1.3	1.4
Toronto	1.0	1.1	1.2	1.3	1.3	1.3	1.6
Hamilton	1.1	1.2	1.2	1.4	1.4	1.3	1.4
Winnipeg	.8	.9	.9	1.1	1.2	1.1	1.2
Vancouver	1.0	1.0	1.1	1.1	1.3	1.3	1.4

(a) Ibid, p. 34.

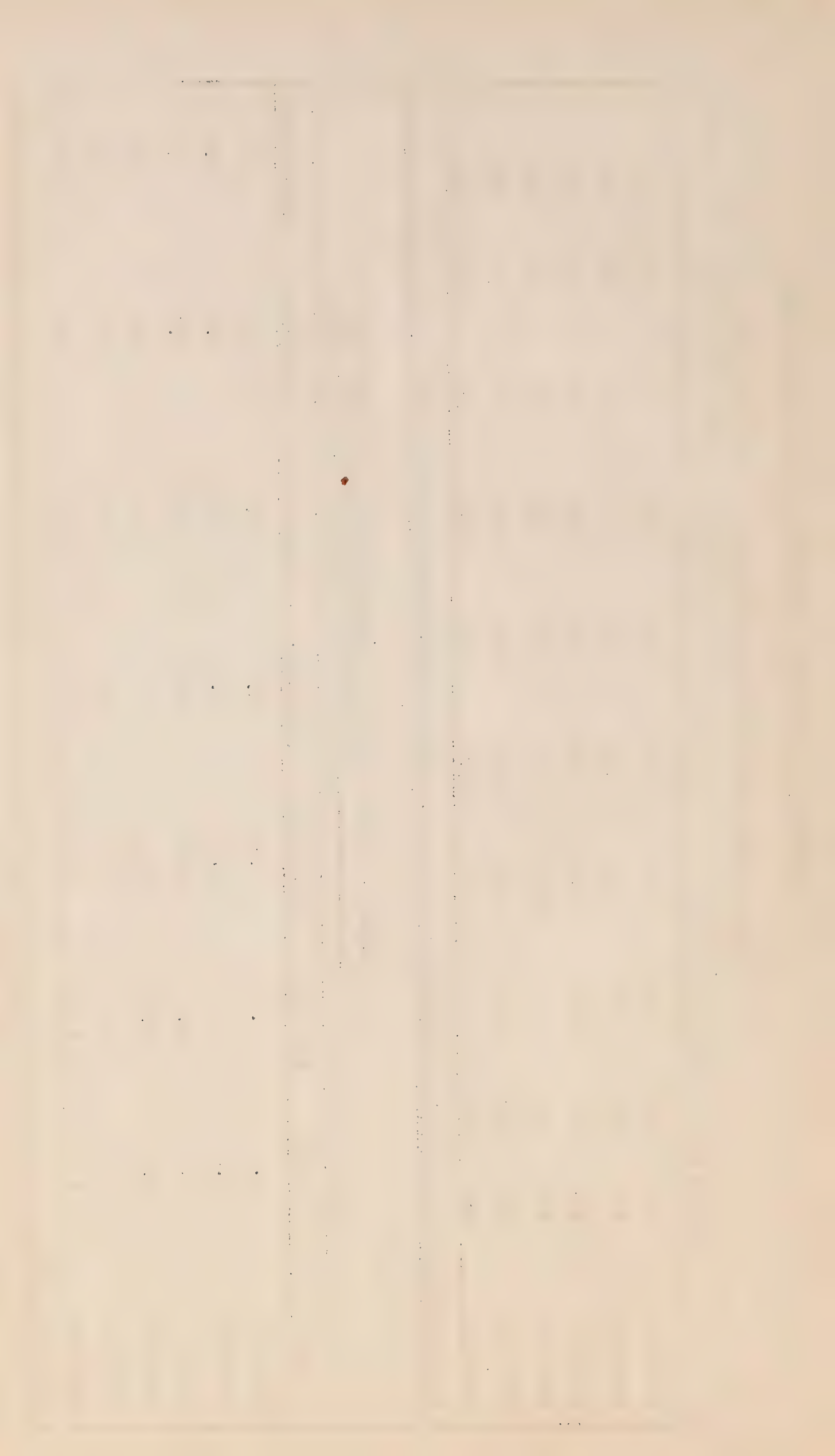


TABLE 6: Number of Rooms per Person in Households living in rented homes, classified according to monthly rental, and Percentage of Tenants paying \$15 or less per month for rental, 1931. (a)

City	Number of Rooms per Person according to Rental						Percentage paying \$15 or less
	Less than \$10	\$10-\$15	\$16-\$24	\$25-\$39	\$40-\$59	\$60 and over	
Halifax	.7	.7	.9	1.1	1.4	1.7	25.7
Montreal	.8	.9	1.0	1.2	1.4	1.6	18.4
Toronto	.7	.8	1.0	1.2	1.4	1.7	8.2
Hamilton	.8	.9	1.1	1.3	1.5	1.8	14.8
Ottawa	.7	.9	1.1	1.3	1.6	1.9	10.1
Winnipeg	.6	.7	.9	1.0	1.2	1.5	18.4
Vancouver	.7	.9	1.0	1.2	1.4	1.5	15.5

(a) Housing Accommodation of the Canadian people. Bureau of Statistics, Ottawa, 1935, p. 14 and 25.

(a) Housing Accommodation of the Canadian people. Bureau of Statistics, Ottawa, 1935, p. 14 and 25.

TABLE 7: Percentage Distribution of Rooms Occupied by Households, 1931. (a)

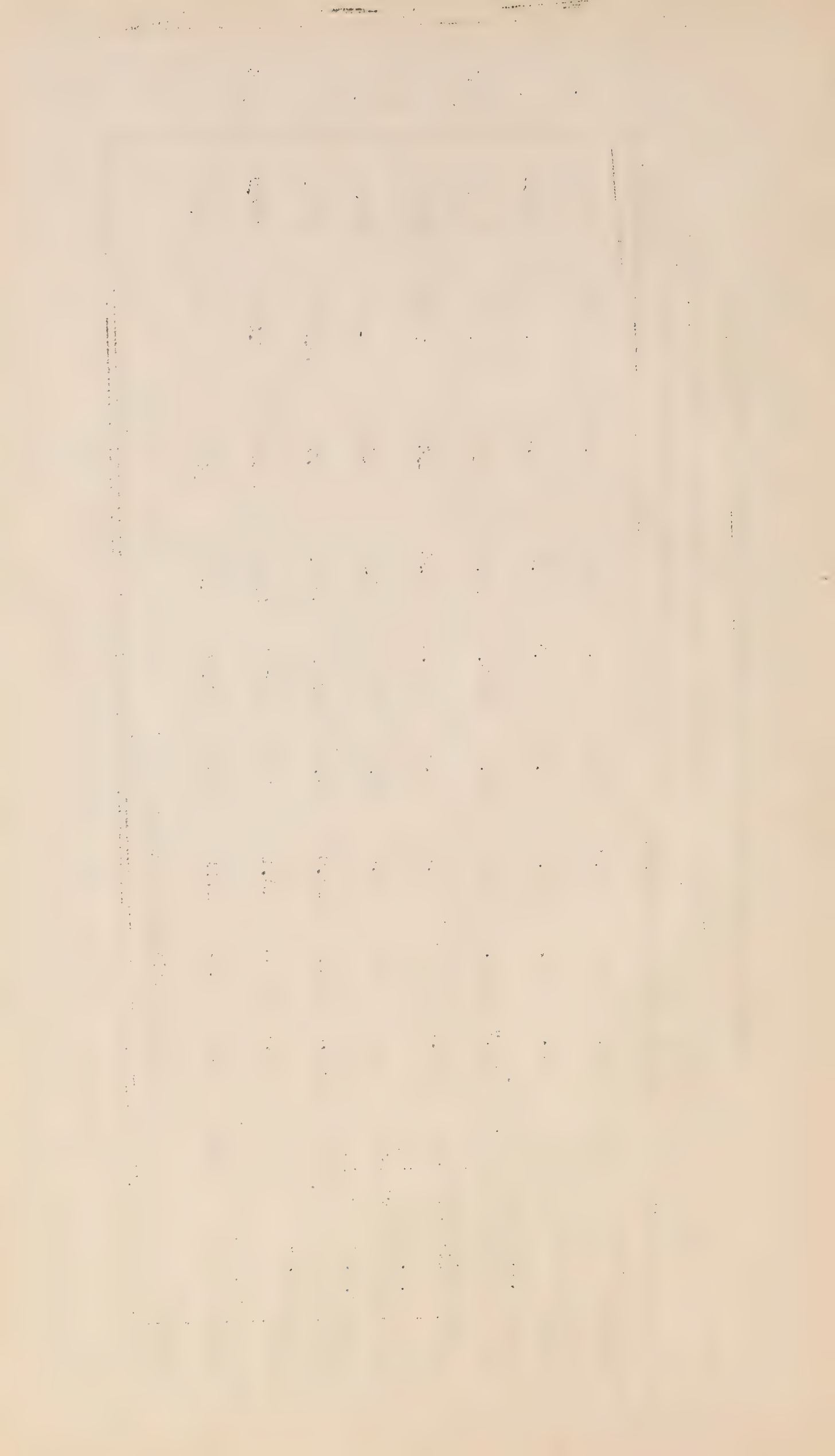
Number of Rooms per Household	Percentage of Households					
	Halifax	Montreal	Toronto	Hamilton	Ottawa	Vancouver
One room	1.7	1.9	1.4	1.7	1.2	3.8
Two rooms	6.9	2.5	4.7	3.1	2.8	6.9
Three rooms	11.1	7.5	10.5	5.6	4.9	12.7
Four rooms	15.6	19.6	9.8	9.1	8.6	13.8
Five rooms	14.4	22.9	12.3	17.7	12.2	20.3
Six rooms	17.3	20.2	32.1	34.3	20.4	18.4
Seven rooms	15.8	14.3	10.2	15.7	22.1	10.8
More than Seven	17.1	11.0	18.9	12.8	27.7	13.4

(a) Housing Accommodation of the Canadian people. Bureau of Statistics, Ottawa, 1935, p. 21.

TABLE 8: Space Distribution according to Size of Households, 1931. (a)

Number of Persons in Household	Montreal		Toronto		Winnipeg	
	P.C. with room per person	Average rooms per person	P.C. with room per person	Average rooms per person	P.C. with room per person	Average rooms per person
Total Households	25.6	1.2	15.5	1.4	25.1	1.2
One person	-	3.2	-	3.8	-	2.4
Two persons	3.7	2.2	2.5	2.4	7.2	2.0
Three persons	3.6	1.7	6.7	1.8	12.9	1.5
Four persons	8.2	1.4	10.8	1.5	17.9	1.3
Five persons	22.8	1.1	13.7	1.3	23.4	1.1
Six persons	41.0	1.0	19.9	1.1	38.2	1.0
Seven persons	61.4	.9	54.1	1.0	57.0	.9
Eight persons	79.1	.8	63.6	.9	71.2	.8
Nine persons	90.0	.7	76.7	.8	79.2	.8
Ten persons	93.0	.7	81.7	.8	82.5	.7
Eleven persons	95.0	.6	87.7	.7	87.7	.7
Twelve persons	95.7	.6	87.1	.7	92.5	.7
Thirteen persons	94.7	.6	89.4	.7	91.2	.7
Fourteen persons	96.0	.6	95.2	.6	88.2	.6
Fifteen persons	97.2	.6	93.5	.7	97.6	.6
Sixteen and over	91.9	.6	94.2	.6	93.9	.7

(a) Housing Accommodation of the Canadian people. Bureau of Statistics, Ottawa, 1935, p. 23.



Appendix 3 - Loans under the Dominion Housing Act and
the National Housing Act.

Table 12 - Family Housing Units Approved and Amount of Loans. (1)

	<u>Units</u>	<u>Amount</u>
1936	934	\$4,444,788
1937	1,961	8,066,195
1938	4,138	14,641,949
1939, 4 mos. (2)	1,320	4,354,271

(1) Including approvals under both the Dominion Housing Act and National Housing Act.

(2) 4 months, 1938 - 807 units for \$2,819,351.

Table 13 - Number of Family Housing Units Approved and Amount of Loans Divided According to Act.

<u>Act</u>	<u>Units</u>	<u>Amount</u>
D.H.A. (Oct./35 - July/38, incl.) (1)	5,295	\$21,155,655
N.H.A. (Aug./38 - Apr./39, incl.) (2)	3,157	\$10,876,618
Total	8,452	<u>\$32,032,273</u>

(1) 34 months.

(2) 9 months.

Table 14 - Average Loan per Family Unit.

<u>1936</u>	<u>1937</u>	<u>1938</u>	<u>1939</u>
\$4,759	\$4,112	\$3,538	\$3,299

Table 15 - Percentage of Family Units Financed According to Size of Loan.

<u>Loan</u>	<u>1936</u>	<u>1937</u>	<u>1938</u>	<u>1939 (1)</u>
\$2,500 or less	8.14%	7.34%	19.67%	25.91%
\$3,000 or less	19.92%	31.26%	42.22%	46.52%
\$3,500 or less	31.80%	50.03%	60.42%	67.05%
\$4,000 or less	44.97%	65.75%	78.79%	86.37%
Over \$4,000	55.03%	34.25%	21.21%	13.63%

(1) Four months.

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